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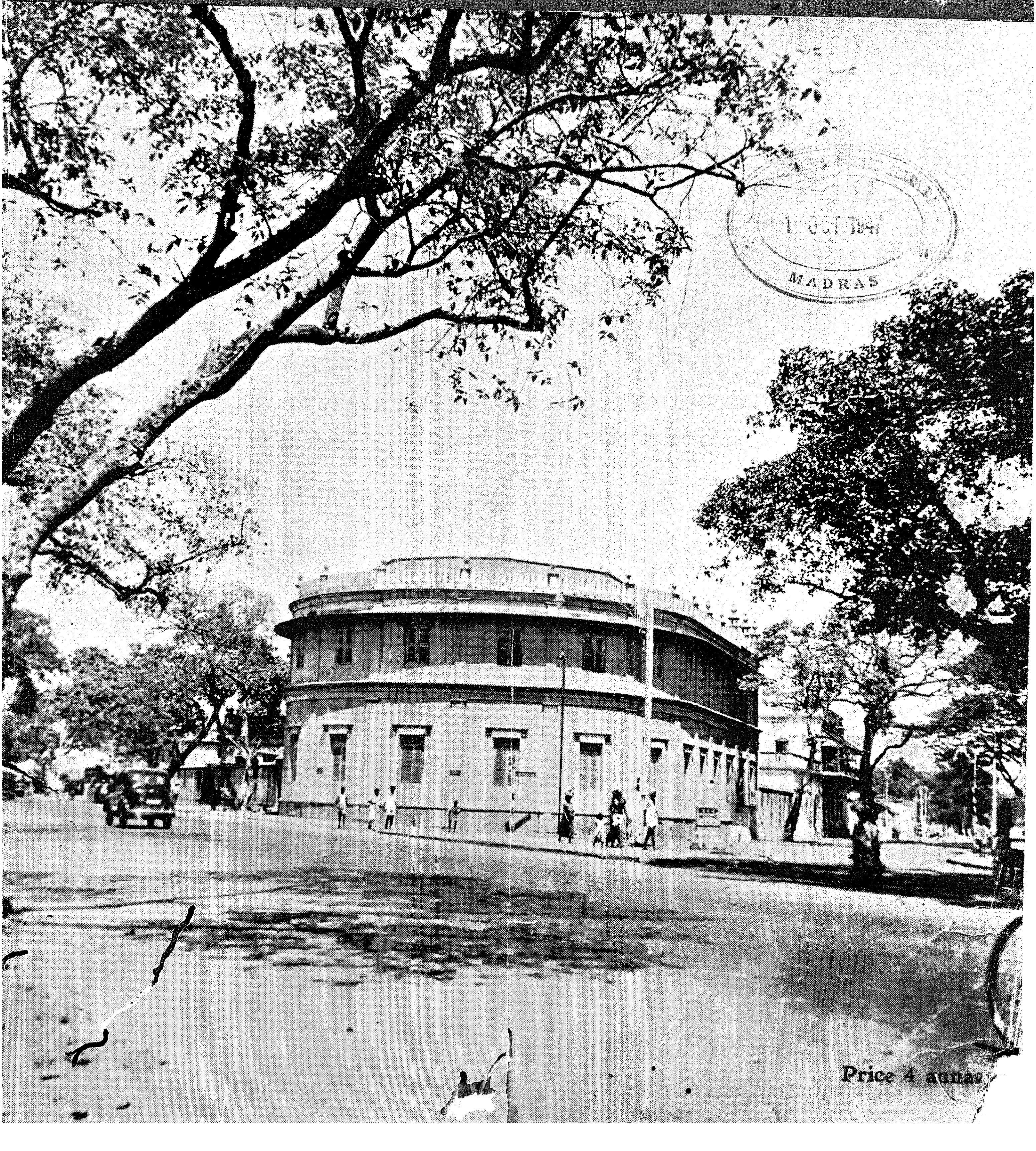

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MADRAS

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Madras Information

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Editorial

ZAMINDARI ABOLITION LEGISLATION

Legislation for abolition of Zamindari Estates by acquiring them, which has been under the consideration of the Madras Government, is now an accomplished fact. Its introduction in the present session of the Legislative Assembly marks the culmination of efforts which commenced during the regime of the first Congress Ministry with the appointment of the Prakasam Committee and continued by the Congress Ministries which came into office after April 1946. Credit for being the first among the Congress Ministries in the country to propose legislation of such a far-reaching character (Bihar also has a Bill ready for the purpose), is legitimately due to the present Madras Ministry and it may be hoped that in the very near future the Zamindari Abolition Bill will be placed on the Statute Book.

The pivotal feature of the legislation which the Revenue Minister is introducing is the compulsory elimination, through acquisition of their rights in land by the State, of all categories of intermediaries between the State and the pattadars, and the payment of compensation according to a prescribed scale to the Zamindars in lieu of the deprivement of a function which they have been discharging, whether well or ill, for nearly 150 years. The legislation covers whole inam villages, defined in the Estates Land Act as "estates," in the same way as other estates, and no order of preference is proposed to be laid down for proceeding with acquisition, which will be carried out in the manner which Government consider most appropriate. Immediately after the enactment of the legislation, steps will be taken to have the zamindari areas, notified under the Act, converted into ryotwari tenures. Payment of compensation will be calculated on the basis of one third of the gross income from the zamindari after its conversion into ryotwari. In addition, an allowance of 13-1/3 per cent in respect of the estates will be made to cover expenses of administration, the cost of establishment (8⅓ per cent) and the maintenance of irrigation works (5 per cent), being the principal items included in this category. Rates of compensation will vary according to the computed basic annual amount derivable from the estate and a sliding scale has been decided upon, which permits of a higher ratio of payment in respect of estates the basic annual amounts of which are smaller and a lower ratio for estates with bigger annual amounts. Thus, where the basic annual amount is estimated as not exceeding Rs. 1,000 the compensation will be 25 times that amount, while in respect of an estate, the basic annual amount, of which exceeds Rupees One lakh (Rs. 1,00,000), the compensation will be 12½ times or Rs. 15 lakhs, whichever is greater. The total amount of compensation will be determined by the Government or some other authority appointed by them. In between these are grades of incomes on which compensation will be payable at so many times the basic annual amounts, viz., (i) where the basic annual sum does not exceed Rs. 1,000, 25 times such sum; (ii) where the basic annual sum exceeds Rs. 1,000 but does not exceed Rs. 3,000, 22½ times such sum or Rs. 25,000, whichever is greater; (iii) where the basic annual sum exceeds Rs. 3,000 but does not exceed Rs. 20,000, 20 times such sum or Rs. 67,500 whichever is greater; (iv) where the basic annual sum exceeds Rs. 20,000 but does not exceed Rs. 50,000, 17½ times such sum or Rs. 4,00,000, whichever is greater; (v) where the basic annual sum exceeds Rs. 50,000 but does not exceed Rs. 1,00,000, 15 times such sum or Rs. 8,75,000 whichever is greater; and (vi) where the basic annual sum exceeds Rs. 1,00,000, 12½ times such sum or Rs. 15,00,000 whichever is greater. The actual mode of payment of the compensation has not been incorporated in the Bill, and will be regulated by rules to be framed under the Abolition Act, which will be placed before both Houses of the Legislature for approval.

Among other important features of the legislation, mention may be made of the provision that in deciding on the scale of compensation, account will be taken of one year's income of the Zamindars from forests, mines and minerals, fisheries, all of which constitute part and parcel of the estate property liable to acquisition; the provision for the survey or the re-survey of an estate wherever necessary, at the cost of the Government, and the method of apportionmen of the compensation amount between the proprietor and the other parties involved; the provision for interim notional payments amounting to one year's basic amount in the first year and similar

subsequent payments till the ryotwari settlement is completed in an estate and for adjustment of these and the basic amount of compensation, when it becomes finally ascertainable after the survey of the estate. In regard to the apportionment of the compensation amount, it will not be regarded as impartible, and the Bill provides the machinery for determining the validity of the various claims against it. A Special Tribunal will be appointed for this purpose, which will apportion the amounts as between the proprietor and other persons whose rights are transferred to the State, including other landholders and undertenure holders. The acquisition of forest properties, mines and mining rights and minerals, irrigation works and fisheries, as an integral part of the Abolition Act, will ensure and facilitate the State formulating an adequate and co-ordinated policy for the development of forests, mineral resources, irrigation works and so on in the province. Provision has been included in the Bill for the administration of the notified estates in the interim period between their notification and the completion of surveys and other preliminaries essential for the conversion of the Zamindaries into ryotwari areas, on the completion of which alone a final computation of the amount of compensation can be made. An officer of the status of a Commissioner will be appointed to give effect to the provisions of the Act, who will be assisted by a Director of Settlements, while individual notified estates will be placed under the management of managers, who will function under the Commissioner, and implement the incorporation of the estate as part of the ryotwari area of the district.

Taken as a whole, the Bill is a logically devised, integrated measure, providing for all those contingencies that inevitably emerge out of the central proposal for the abolition of the Zamindaries. Naturally a number of important but complicated factors have to be provided for, for the transitional period which are intended to eliminate potential, legal and other difficulties and the machinery required for tackling them has also been included in the legislation. Thus, immediately the notification declaring an estate as ryotwari area is issued, the landholder will not be permitted to collect rents himself and arrears of rent due to him on the date of notification and any proceedings he may have instituted for their recovery would be deemed to have been discharged from that date. In respect of arrears of rent accruing to the properietor or Zamindar before the notified date, they will automatically be transferred to the Government subject to the proviso that, if rents due for two fasli years immediately preceding the notified date, are paid by the ryot, the entire arrears will be regarded as having been wiped out.

Every effort has thus been made by the framers to ensure that the principles of equity, justice and fairplay are not infringed in undertaking the legislation which affects vitally the interests of a considerable section of the population. There is fundamental justification for the measure in view of the consideration that the best interests of the largest number of people demand that the interests of a smaller number should not be permitted to impede their promotion. Taking into account the widespread demand for the abolition of the Zamindaries without the payment of any compensation at all, there can be no two opinions but that the principal provisions of the legislation successfully steer clear of that extremist demand and that they answer the claims of equity and justice in dealing with the Zamindars without impinging on the interests of the general community, who have in the ultimate resort to bear the brunt of the financial implications of the compensation proposal. When the Rules governing the mode of its payment are formulated, they will doubtless take into account the different suggestions adumbrated in this connexion, one of which is that payment should be in debentures or bonds and not cash, and also what has been done in that regard in other provinces like Bihar and the U.P., where similar legislation is under preparation. What exactly the payment will cost the provincial exchequer or to what extent the financial position of the province will be benefited by the Zamindari abolition is difficult to estimate at this stage. But it has been provisionally calculated by the Revenue Minister that the amount of compensation will not exceed Rs. 10 crores and that the annual income to the Government in the shape of land revenue from the areas converted into ryotwari will be nearly a crore of rupees.

Differences of opinion may exist regarding the procedure to be adopted for determining the payment of compensation ; but in the present Bill, a procedure has been adopted which, besides being comparatively simple, facilitates expeditious implementation of an imperative reform long overdue and repeatedly promised and for which the long suffering tenantry in the Zamindari areas has been eagerly looking forward. The principle of acquiring estates on payment of compensation being overwhelmingly accepted, and the urgency of the need for placing the necessary legislation in that regard on the Statute Book being conceded also, obviously the better way is to provide for the change-over in a manner which will secure to the ryots the benefits of security of tenure and reduced rates of land revenue approximating to ryotwari rates at the earliest possible date. Account has been taken in deciding the basis of compensation at $\frac{1}{3}$ of the gross income of the estate, of the circumstances in which the Permananent Settlement was introduced in 1802, when it was computed, with reference to all relevant facts and considerations, that $\frac{2}{3}$ of the land revenue payable at that time would represent the Rajabhogam or Peshkush and $\frac{1}{3}$ the recompense to the Zamindar for collecting the land revenue.

The proposal for converting all Zamindari rentals to the level of those prevailing in 1802 and for fixing the land revenue throughout the province on that basis, leaving the Zamindari system itself more or less intact, suffers from the drawback that it would

involve prolonged investigations to arrive at correct estimates regarding the rents existing in 1802 in the different estate areas and that it would almost irrevocably tie down the State, at least till further consequential legislation is undertaken, to a particular scale of land revenue and prevent it from deriving the benefits of graduated enhancements therein, which would be justified by Governmental measures to improve the cultivation methods and irrigation facilities and so on. On the other hand, once the entire land in the Province is brought under ryotwari tenure, Government will be in a position to proceed with further measures essential to rationalize the land revenue policy by approximating the present levy on land to that of a land tax, formulated on the basis of well-known canons of taxation.

Simultaneously with the Zamindari Abolition Bill will also be introduced a Bill for the conversion of rents in various Zamindari estates to ryotwari rates prevailing in the neighbourhood. These two measures naturally go together, as the determination of ryotwari rates provides the basic foundation for the determination of compensation rates.

Madras Government Press Notes

Food and Clothing

Standardization Committee for Textile Mills

The Industrial Tribunal (Textiles) has recommended the appointment of Standardization Committee for preparing a nomenclature for all the textile mills in the Province. As it is absolutely necessary to fix the number of workers required for each department in each mill before the wages can be fixed for the different categories of workers and enforced on the managements, the Government accept the recommendation and appoint a Standardization Committee with—

Sri A. Uthandaraman, Assistant Commissioner of Labour as Chairman,

Sri A. Rajagopalan, Assistant Engineer (Electrical), and

Sri M. Krishnaswami Ayyar, Retired Inspector of Factories (also an expert in textiles) as Members.

Bonus for Millet stocks

Owing to the present difficult food situation in the Province, the Government desire that an inducement should be offered to the ryots who have grown millets also to make them deliver their surplus stocks of millets to the procuring agents of Government. They have therefore decided to give a bonus of Re. 0–8–0 per imperial maund for all millets delivered to the procuring agents of the Government between 1st September and 31st October 1947. No bonus will be given for deliveries of millets made before 1st September or after 31st October. The bonus amount will be recovered from the consumers by an appropriate price increase. The Government trust that producers of millets will take full advantage of the present bonus by delivering their surplus immediately to the procuring agents of the Government. The necessary detailed instructions to producers for claiming the bonus will be issued shortly by the Board of Revenue.

Flour Prohibition Order

The Government have issued a notification amending the Madras Flour Prohibition Order, 1947, to permit the flour of foodgrains and tapioca in the making of paste or starch. Till now, the flour of foodgrains and tapioca should be used only for paste-making. The notification also says that the Provincial Government may by a special or general order exempt from the operation of the Madras Flour Prohibition Order any person or class of persons in regard to the use of any specified kind of flour for making paste or starch.

Amendment to Procurement order

The Government of Madras have amended the notification issued in G.O. No. 340, Food, dated 26th March 1947, to ensure speedy and intensive procurement of paddy, rice and millets.

It has now been provided that if any premises, where stocks of foodgrains are kept and which is subject to inspection by the procurement staff, is found locked up and unoccupied or unattended by or on behalf of the owner or occupier, the same may, in the presence of two independent witnesses, be broken open and entered upon for procurement purposes.

It is also provided that if the quantity of the foodgrains specified in the order issued under clause 3, namely, foodgrains which the District Collector or any other officer authorized by him has ordered to be sold to the Provincial Government, is not sold in accordance with the said order or if the surplus as determined or redetermined by the Collector is not delivered on or before the date notified for the purpose, then, without prejudice to any punishment to which the person concerned may be liable, any revenue officer not below the rank of Revenue Inspector or Firka Supply Officer within whose jurisdiction the said quantity or surplus of foodgrains is stocked, may seize such stocks and deliver them to the agent authorized by the District Collector in this behalf and direct the said agent to pay the person from whom the stocks were seized the value thereof at prices less than those fixed by the Government.

Uncertified Khadi dealers

With a view to ensure the development of Khadi on sound lines in this Province and to implement the policy of the Government indicated in their Press Note No. 54, dated the 24th February 1947, the Provincial Government have decided to eliminate from the areas specified in the schedule below all Khadi production and sales agencies other than Government agency working the Government's Khadi Scheme and the All-India Spinners' Association and organizations certified by the All-India Spinners' Association. Licences under the Madras Khadi (Control) Order, 1947, for the production or sale of khadi in these areas will not be issued to private persons. All persons at present

doing business in khadi in the areas referred to are hereby warned to wind up such business immediately. The Government will be prepared to give these persons a reasonable time not exceeding three months in any case for winding up their business in the areas concerned. Persons so eliminated may, if they so desire, apply to the Provincial Textile Commissioner for licences to carry on their business outside the areas specified in the schedule below and the best possible consideration will be given to such applications.

2. The Government are convinced that to achieve the object of self-sufficiency in regard to clothing in terms of khadi, it is necessary to impose a ban on the export of khadi cloth outside the Province. They have therefore decided not to permit any export of khadi cloth outside the Province.

Schedule.

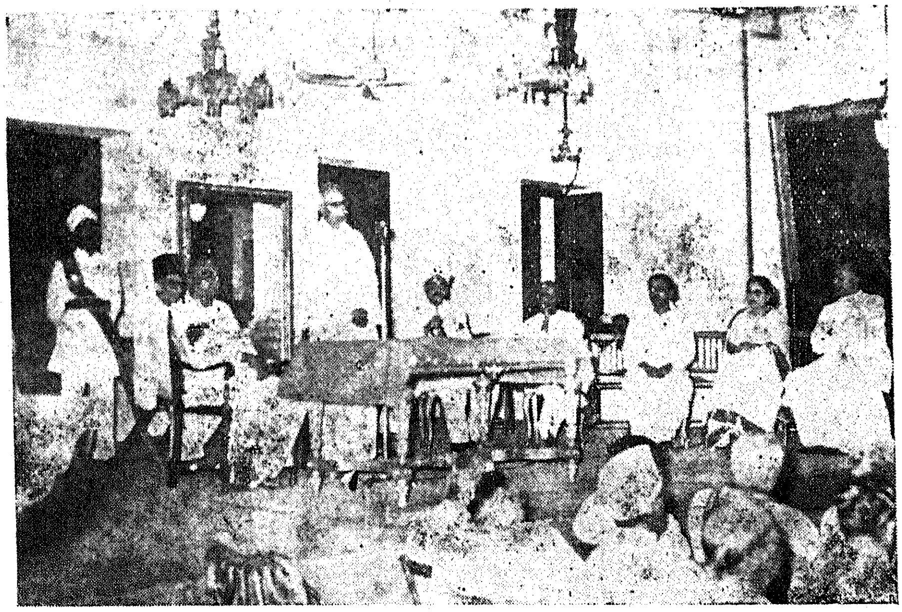
(1) The Intensive Khadi Areas worked by Government under the Government's Khadi Scheme, viz.—

(i) Kota-Uratla Centre.
(ii) Erragondapalem Centre.
(iii) Guruvareddipalem Centre.
(iv) Puliankurichchi Centre.
(v) Avanashi Centre.
(vi) Vellakkoil Centre.
(vii) Payyanur *cum* Nileshwar Centre.

(2) The areas covered by villages which will be specified in a belt of about 10 miles round each of the centres mentioned in item (1) above.

(3) The All-India Spinners' Association's khadi production areas of Tiruppur comprising villages in the Coimbatore and Trichinopoly districts.

(4) The All-India Spinners' Association khadi production area of Kangala in Guntur district.



The Hon'ble the Premier addressing the Sheriff's meeting held recently at the Banqueting Hall to collect funds for the relief of Punjab refugees.

Mill Cloth Consumption to be regulated

With a view to secure the efficient working of the Government's Khadi Scheme in the Intensive Areas on the self-sufficiency principle already announced, the Government have decided to take the following measures for regulating the consumption of mill cloth and mill yarn handloom cloth in the selected Intensive Khadi Areas :—

(1) The distribution of mill cloth to the licensed shops in four selected Intensive Khadi Centres will gradually be reduced and ultimately withdrawn with reference to the extent of khadi production achieved in these areas. These four areas are—

(i) Erragondapalem Centre in Kurnool district,

(ii) Kota-Uratla Centre comprising certain villages in Vizagapatam and East Godavari districts,

(iii) Vellakkoil Centre comprising certain villages in Coimbatore and Trichinopoly districts, and

(iv) Avanashi Centre in Coimbatore district.

(2) Licences for dealing in handloom cloth in all the seven Intensive Khadi Areas, viz., the four centres mentioned above and

(v) Guruvareddipalem Centre in Guntur district,

(vi) Puliankurichchi Centre comprising certain villages in South Arcot and Salem districts, and

(vii) Payyanur *cum* Nileshwar Centre comprising certain villages in Malabar and South Kanara districts, will gradually be reduced on the same principle.

(3) The distribution of mill yarn to registered handlooms in all the seven areas will also be gradually curtailed so that the looms may be switched over for the production of khadi.

The Provincial Textile Commissioner, Madras, has been instructed to take steps to give effect to these decisions in consultation with the Collectors and the Honorary Regional Khadi Officers.

Revenue

Revenue and Expenditure figures

Revenue and expenditure figures on Revenue Account up to the end of May 1947 show that the revenue amounted to Rs. 711·70 lakhs as against Rs. 723·56 lakhs up to May 1946. There is thus a decrease in receipts to the extent of Rs. 11·86 lakhs and this is the net effect of decreases totalling Rs. 60·15 lakhs under certain heads and increases totalling Rs. 48·29 lakhs under certain others. The main decreases are under Provincial Excise, Forest, Irrigation and Civil Works, while the increases are mainly under Land Revenue, Stamps, Motor Vehicles Act, Administration of Justice, etc.

The expenditure for the period up to May 1947 is Rs. 544·16 lakhs as against Rs. 549·54 lakhs up to May 1946. The expenditure also shows a decrease of Rs. 5·38 lakhs and this is mainly due to decreases totalling Rs. 140·69 lakhs under certain heads and increases amounting to Rs. 135·31 lakhs under certain other heads. The main items of decrease in expenditure relate to General Administration, Administration of Justice, Civil Defence, etc. The expenditure under Police and Civil Works has registered a considerable increase to the extent of Rs. 10·07 lakhs and Rs. 10·84 lakhs, respectively, mainly on account of the revision of pay and allowances of the Police force in the former case and the purchase of tools for roads and bridge-works by the Highways department in the latter.

MADRAS

Development

Industrial dispute

An industrial dispute arose between the workers and management of the Commonwealth Tile Factory, Feroke. As the parties to the dispute were unable to arrive at an amicable settlement, the dispute was referred to the Industrial Tribunal, Coimbatore, for adjudication. After enquiry, the Tribunal has submitted its award.

The Tribunal says that the workers are not bound by the settlement arrived at between them and the management on 28th January 1947, but that the cent per cent dearness allowance agreed to in the settlement is fair. Workers who have a service of six months in 1946 shall be paid a bonus equivalent to twenty-five per cent of their total basic earnings (including production bonus) for that year. The managements should provide chappals and gloves of coarse stuff, canvas, for instance, to the workers in the hot chambers. Very few workers have taken advantage of the benefit fund started by the company and the management need not make an equal contribution until the workers join the fund in large numbers. The factory is closed for ten days for adults and for fourteen days for children as a regular measure, and therefore the workers need not be given holidays when they desire to have them. No worker was dismissed and the question of reinstatement does not arise. The period of unemployment from 16th April to 11th May 1947 was involuntary. The workers who were unemployed from 16th to 30th April 1947 should be paid seventy-five per cent of their basic wages and dearness allowance subject to a minimum of fifteen annas and from 1st to 11th May 1947 fifty per cent of their basic wages and dearness allowance subject to a minimum of ten annas.

All the skilled workers should be paid the existing time wages varying from Rs. 42-4-0 to Rs. 61-12-0 for a month of twenty-six working days with an attendance bonus of four annas a day. The unskilled workers should be paid Rs. 1-8-0 daily with an attendance bonus of four annas a day instead of two annas and those who were not getting attendance bonus till now will get a bonus of two annas a day. Semi-skilled workers in the kiln department should be paid a basic wage of twelve annas and dearness allowance of twelve annas with an output bonus. The semi-skilled workers in the press department will get a basic wage of ten annas and dearness allowance of ten annas with output bonus. The unskilled workers who are now on piece rate will get a basic wage of eight annas and dearness allowance of eight annas with output bonus. In addition, the unskilled workers who have put in a service of two years on 1st July 1947 will get a bonus of two rupees per mensem and those who have put in a service of five years will get a bonus of four rupees per mensem.

Bonus and compensation must be paid within one month of the publication of the award. The revised scales of wages will come into effect on 1st July 1947 and remain in force for one year. The Government accept the recommendations of the Tribunal and enforce them on the parties for a period of one year from 1st July 1947.

Permission for New Rice Mills

The Government have cancelled the orders issued on 8th January 1947 prohibiting the issue of licences for the opening of new rice mills, in respect of the areas in the Province outside the firkas selected for intensive rural reconstruction. The ban will, however, continue to be in force in the selected firkas till the end of December 1947, when the matter will be considered again and further orders issued.

It may be recalled that with a view to encourage the hand-pounding of paddy and the consumption of hand-pounded rice, the Government prohibited in their order referred to the issue of licences for the opening of new rice mills. At the time the order was issued, they had before them a proposal to manufacture and supply a large number of Japanese type of hullers called "Rama Hullers" for the purpose of converting paddy into rice as these hullers produced rice comparable in quality with hand-pounded rice. It has, however, since been found that the cost of manufacture of these hullers is high and that they are of doubtful economic value. The proposal to manufacture these hullers has, therefore, been given up.

It has also been represented to the Government that in the absence of facilities for manufacturing hand-pounded rice on the required scale, the ban on the licences of new mills operated as a great handicap, as hand-pounding was not an economic proposition owing to the scarcity of labour and high wages and as the number of existing mills was not sufficient to cope speedily with the work of conversion into rice.

Provincial Firka Development Board

The Government have constituted a Provincial Firka Development Board to formulate and frame schemes for speeding up intensive rural reconstruction work, improvement of the cottage industries and development of Khadi in the selected firkas and centres. The members of the Board are the following :—

(1) The Hon'ble the Prime Minister (*Chairman*).
(2) The Hon'ble Minister for Rural Development.
(3) Sri Gollapudi Sitarama Sastri.
(4) Sri N. S. Varadachari, M.L.A.
(5) Sri M. Bapineedu, M.L.A.
(6) Sri Kelappan.
(7) Sri N. Ramakrishna Ayyar.
(8) Sri R. R. Keithan.
(9) Sri Mothey Narayana Rao, M.L.C.
(10) Sm. T. S. Soundaram Ramachandran.
(11) Sri Manikonda Satyanarayana Sastri.
(12) Sri A. Vedaratnam Pillai, M.L.A.
(13) Sri Tekkuri Subrahmanyam.
(14) Sri K. K. Subbanna Gounder, M.L.A.
(15) Prof. G. Ramachandra Rao.
(16) Sri S. Ramaswami Naidu.
(17) Sri Pangal Lakshminarayana Naik.
(18) Sri Annam Kanniah.
(19) Dr. Gurubadam.
(20) Sri R. Guruswami.
(21) The Chief Engineer (Highways).
(22) The Chief Engineer (Electricity).
(23) Director of Agriculture, Madras
(24) Provincial Textile Commissioner, Madras
(25) Director of Industries and Commerce, Madras.
(26) Joint Secretary, Board of Revenue (Land Revenue and Settlement).
(27) Assistant Secretary to Government, Public (Firka Development) Department.
(28) Provincial Firka Development Officer (Secretary).

(*Continued on page 27*)

Miscellaneous

Pudukottah student for Medical College

The Government have decided that out of the 50 seats in the College of Indian Medicine, Madras, one seat may be reserved every year for a candidate from the Pudukottah State, qualified for admission into the College.

Oath of Allegiance for Local Boards

The Government have prescribed a revised form of Oath of Allegiance to be taken by newly elected members of the Municipal Councils and Local Boards as well as Councillors and Aldermen of the Madras Corporation. The revised form is only provisional, pending amendment of the Madras District Municipalities and Local Boards Act and the Madras City Municipal Act so as to alter the form of Oath in order to make it an affirmation of allegiance to India and the Constitution of India. The Oath need be taken by members only at their option and need not be taken by the existing Councillors and Aldermen of the Corporation of Madras and members of Panchayats.

Petrol coupons

It has been brought to the notice of Government that several owners of motor vehicles deposit their petrol coupons with petrol dealers with the object of drawing petrol as and when needed. This is an offence under clause 27 of the Motor Spirit Rationing Order, 1941. Petrol dealers and owners of motor vehicles are informed that any violation of the clause will result in the prosecution of both the petrol dealers and the owners of such vehicles and that the rations of the vehicles will be reduced or stopped.

Vacancies for war service candidates

Under the orders now in force, 66-2/3 per cent of all substantive vacancies and certain kinds of temporary vacancies in Provincial and Subordinate Services arising up to 31st March 1947 and which should be filled by direct recruitment have been reserved for candidates who have rendered war service. The Government have had under consideration the question whether any vacancies arising after that date should be reserved for such candidates. They have now decided that the policy of reserving vacancies for war service candidates need not be continued beyond 31st March 1947. In order however to facilitate the absorption of such candidates in non-reserved vacancies arising on or after 1st April 1947, the Government are issuing orders permitting them to exclude the period of their war service in computing their age for appointment. Such candidates will also be exempted from payment of application fees.

Elementary School Teachers

Government have permitted unqualified teachers in Lower Elementary Grade who were in service on 17th June 1946 and who have to their credit six years' of satisfactory service to serve in aided elementary schools and assessed grants without being exempted.

Britain's export drive

The July issue of 'The Commonwealth and Empire Review,' contains, among other things, two articles on the export trade of Britain which may be of interest to Indian business firms and importers. The article on 'This Year's British Industries Fair' (which is being held annually since 1915 and is now established as the World's Greatest Trade Fair) gives a bird's-eye view of the British inventions and the achievements of British enterprise, especially during war time. Many of the exhibits at the Fair belong to the category of goods suitable for export. It may be noted that they are available for immediate delivery.

National Savings

Subscriptions from the Province towards National Savings Certificate during the week ended with 16th August 1947 amount to Rs. 2,10,260. The total collection for the period from 1st April to 16th August 1947 is Rs. 56,33,175. Madras has shot up to the first place in point of collections.

Women's Civil Corps

The Government have appointed Dr. (Mrs.) Soundaram Ramachandran as Chairman of the Provincial Executive Committee of the Indian Women's Civil Corps with effect from 24th July 1947.

Exemptions from Paper Control Order

The Provincial Paper Controller has exempted certain varieties of imported paper from the provisions of clauses 12, 20 and 24 of the Madras Paper Control Order in order to enable dealers to sell them up to one ream at a time to non-card holders. These varieties are: (1) Tissue paper, (2) Butter paper, (3) Cellophane paper, (4) Vegetable Parchment paper, (5) Blotting paper, (6) Manifolding paper, (7) Flint paper, (8) Cheque paper, (9) Marble paper and (10) Kraft paper.

This concession is only provisional and is liable to be withdrawn, should the stock position require such a step.

Art paper for Journals

Representations were received from proprietors of journals printed on newsprint for permission to use art paper for cover pages. The Government of India have carefully considered the representations and have decided to make general relaxation of clause 3 (3) of the Newsprint Control Order (No. 2) so as to enable journals to use art paper for the cover pages without permission from the Government. This concession however applies only to cover pages. As regards the use of art paper for inside pages of journals printed on newsprint, permission of the Government continues to be necessary.

Control of Dyes: Payment of licence fee

In connection with the control of dyes required for cotton textiles, time was given to all licensees and permit holders up to 31st August 1947 to remit the licence and permit-fees, and it was mentioned that those who failed to remit the licence and permit-fees by the said date would not be allowed to continue their business thereafter.

It has been represented to the Textile Commissioner that the time allowed for payment of licence fees and permit-fees is short and might be extended In view of this, the Textile Commissioner has permitted those who have not remitted the fees by the fixed date to remit them by 20th September 1947. Those who fail to remit the fee even by that date would not be allowed to continue their business.

Sites for student camps

The Government have constituted a Committee consisting of the Chief Inspector of Physical Education, the President, Headmasters' Association, Madras, a representative of the Boys' Scouts Association, and Mrs. Mary Clubwalla, to inspect vacant sites which are said to be suitable for consideration for use as camps for school and college students and scouts. The members may elect one among themselves as the Chairman of the Committee.

The Committee will make recommendations to Government on the extent of land to be taken over for use as camps, the number of camps to be developed, the manner in which the camps should be administered and other details relating to the scheme.

Flood Relief

The Government have sanctioned a sum of rupees two thousand for the relief of distress caused by the floods in Kasaragod taluk, South Kanara district, on 16th August 1947.

Tuberculosis by contagion

It was brought to the notice of the Government that a number of medical students and nurses contract tuberculosis during the period of their study and training With a view to preventing this, the Government have instituted a system of thorough annual medical examination of medical students as well as nurses. The Superintendents of the hospitals attached to the Medical Colleges have been given detailed instructions to this end.

Cost of Living Index

The following table shows the cost of living index numbers for low-paid employees at the different mofussil centres in the Province of Madras for the month of August 1947 :—

Vizagapatam ..	289·0
Ellore	359·7
Bellary	311·1
Cuddalore	296·7
Trichinopoly ..	299·3
Madura	295·5 *
Coimbatore ..	304·8
Calicut	358·3

* 295·46 to two decimal places.

Index numbers of import and export prices for the Province of Madras for July 1947—

(1) The index number of declared values of foreign imports declined by 106 points to 207.

(2) The index number of declared values of foreign exports advanced by 19 points to 276.

(3) The index number of declared values of coastwise imports advanced by 4 points to 315.

(4) The index number of declared values of coastwise exports advanced by 46 points to 360.

(*Continued from page* 5)

The Board is authorized to co-opt such additional members and on such terms as it may decide from time to time. It may also invite Heads of Departments and others to attend its meetings whenever required.

The Headquarters of the Board will be in Madras and it will meet ordinarily once a quarter or oftner if necessary.

SITUATION VACANT

Applications are invited from candidates below the age of 25 for three appointments by direct recruitment as temporary Assistant Inspector of Survey and Land Records in the Survey and Land Records Subordinate Service. Two of the posts will be filled by Andhra candidates (one Non-Brahman Hindu and the other Muslim) and the third by a Tamil Non-Brahman. The scale of pay of the post is Rs. 100 – 7½/2—115—10/2—125 plus dearness allowance according to rules. The candidates should possess the B.A. or B.Sc. degree of a University in the Province. The latest date for receipt of applications is 10th October 1947. For full particulars please see the *Fort St. George Gazette*, dated the 23rd September 1947.

Board of Revenue,
19th September 1947.

C. A. RAMAKRISHNAN, I.C.S.,
Joint Secretary.

Zamindari Abolition Bill Explained

Revenue Minister's Statement

The following statement was issued on the 16th September by the Hon'ble Revenue Minister in connection with the Zamindari Abolition Bill :—

As there appears to be some misapprehension about the implications of the Madras Estates (Repeal of the Permanent Settlement and Conversion into Ryotwari) Bill, 1947, published in the extraordinary issue of the *Fort St. George Gazette*, dated 13th September 1947, the general scheme underlying the Bill and the provisions thereof are explained below.

2. *Scheme of acquisition.*—The Bill applies to all estates governed by the Madras Estates Land Act, 1908. To begin with an estate which the Government propose to take over will first be notified by the Government under section 1, sub-section (3) of the Act. With effect on and from the notified date, the consequences mentioned in section 3 will ensue. The estate including all communal lands or porambokes, waste lands, forests and other non-ryoti lands, mines and minerals and irrigation works and buildings used exclusively as offices in connection with the administration of the estate will vest in the Crown free of all encumbrances. The estate will cease to be an estate and become a ryotwari area in law.

3. *Interim administration, survey and settlement.*—A manager will be appointed generally to manage the estates till the ryotwari settlement is effected, to collect the land revenue on ryotwari lands in the estate and to make arrangements for the incorporation of the estate in due course as part of the ryotwari area of the district. The estate will be run more or less on ryotwari lands but as a separate entity to start with. If the estate has not already been surveyed a survey will be made. If it has been surveyed already, the new survey will be limited to what is necessary for the introduction of the ryotwari settlement. The cost of survey or re-survey (excluding the cost of survey marks or boundary pillars) will be borne by the Government. After the survey has been made a settlement on ryotwari principles will be conducted at the cost of the Government. The rates of assessment set out in the resettlement notification of the district will be fixed for the lands in the estate.

Sri Kala Venkata Rao

4. *Interim payments to proprietors, landholders, etc.*—Till the ryotwari settlement is completed, interim payments will be made every year to the proprietors and other persons having interests in the estate. The total amount of the interim payments will be that which is, on a rough calculation, equal to the basic annual sum for the estate which will be determined after the ryotwari settlement has been made.

The interim payments will be apportioned between the proprietor and under-tenure holders by a Special Tribunal consisting of a Sub-Judge, an Advocate of the High Court of not less than ten years' standing and a Deputy Collector.

5. *Determination of compensation.*—After the ryotwari settlement has been completed, the compensation payable to the proprietors and other persons having interests will be determined. The gross annual ryotwari demand of the estate will first be computed, by taking ryotwari assessments fixed for cultivable lands in the estate (other than private lands) by the ryotwari settlement and adding to it the gross income derived by the Government from the estate in respect of forests, fisheries, mines and minerals during the complete fasli year immediately succeeding the notified date.

In the case of *estates other than whole-inam villages*, one-third of the gross ryotwari demand so arrived at will first be taken and from it the following deductions will be made :—

(*a*) 8-1/3 per cent on account of establishment charges, and

(*b*) 5 per cent on account of the cost of maintaining irrigation works.

The resultant sum will be the basic annual sum for the compensation.

The reasons for taking one-third of the gross ryotwari demand in arriving at the basic annual sum are the following.

The land revenue payable by the ryots in estates represents the "rajabagam" to which, from time immemorial, the ruler in India has been entitled. At the time of the Permanent Settlement the total land revenue payable on all the lands in the estate was worked out from the average of the preceding few years, based on such village accounts as were available or on other material. Approximately two-thirds of the figure thus arrived at was fixed as the peshkash. This proportion was slightly varied in individual cases with reference to special features like the possibilities of development, the unproductiveness of the soil, the zamindar's ability to pay, etc. The balance of one-third was left to the landholder as recompense for the trouble of collecting the land revenue. It was also laid down that all income from extension of cultivation should belong to the landholder. As against this, he had to maintain a staff to make collections and to look after administration generally; he had to maintain irrigation sources in good repair and he was also entrusted with the responsibility of improving the well-being of the ryots under him. In ryotwari areas the "rajabagam" is represented by the ryotwari assessment. It will be generally conceded that the ryotwari system is fairer to the ryot and more systematic in its incidence than the level of rents in estates. When the zamindari system disappears, there is no alternative except to settle the lands on a ryotwari basis which is the system obtaining in two-thirds of the province. Therefore the principle underlying the scheme of compensation in the Bill is to superimpose on the results of a ryotwari settlement the rule that was generally adopted at the time of the Permanent Settlement, viz., to divide the gross demand in the ratio of 2 : 1 between the State and the landholder. Accordingly Government consider it equitable that the zamindar should not get anything more than

one-third of the demand under a ryotwari settlement.

The basic annual sum for purposes of capitalization computed as aforesaid will come to 1/3 or 33-1/3 per cent *minus* 13-1/3 per cent or 20 per cent of the gross ryotwari demand, i.e., 20 per cent of the ryotwari assessments fixed by the ryotwari settlement for cultivable lands (other than private lands) in the estate *plus* 20 per cent of the gross income derived by the Government in respect of forests, fisheries and mines and minerals for the fasli year immediately succeeding the date on which the estate is taken over.

In the case of *whole inam villages*, the gross ryotwari demand will first be computed and from it the following deductions will be made :—

(*a*) 8-1/3 per cent on account of establishment charges ;

(*b*) 5 per cent on account of the cost of maintaining irrigation works ;

(*c*) the actual annual quit rent and other payments of a like nature.

One half of the resultant sum will be the basic annual sum for whole inam villages for the purpose of capitalization.

6. *Sliding scale for payment of compensation.*—The compensation will be paid according to the sliding scale specified in section 6 (*d*) of the Bill. The multiple in the sliding scale varies from 12½ to 25. A larger multiple of the basic annual sum is allowed to estates in respect of which the basic annual sum arrived at is small and a smaller multiple for estate in respect of which the basic annual sum is big.

7. *Apportionment of compensation.*—After the amount of compensation payable for the estate has been finally computed, it will be apportioned between the landholder, and undertenure holders by the Special Tribunal referred to in paragraph 4 above.

8. *Mode of payment.*—The rules under the Act will lay down the form and manner in which the compensation will be paid to landholders. The amount of compensation payable to any landholder will be deposited in the District Court. The landholder, the members of his family claiming any interest in the compensation amount and his creditors if any will have to apply to the District Court within six months from the date of deposit of the amount of compensation in the Court. The District Court will then consider the claims of all these persons, determine the amounts payable to them and make payments.

9. *Tribunal to examine history of private lands.*—A Tribunal will be appointed to examine the history of all lands claimed by the proprietor of the estate as his private land and decide which of them are his private lands. This Tribunal will consist of three members, a Deputy Collector appointed by the Government, a non-official appointed by the proprietor and another non-official appointed by the ryots of the estate.

10. *Existing estate staff.*—Existing estate staff will as far as possible be absorbed in Government service. They will be put into a special cadre and rules will be made to govern their services.

11. *General provisions.*—Once an estate is notified, the proprietor or other landholder will not be entitled to collect any rent from the ryots. All arrears of rent and all proceedings taken for the recovery of such arrears shall be deemed to have been discharged. All arrears of rent will stand transferred to, and be enforceable, by the Crown. The arrears will be collected by the manager who is placed in charge of the estate. If a ryot pays the arrears of rent due for the two complete faslis immediately preceding the notified date, all arrears of rent due from him in respect of any prior fasli will be deemed to have been discharged. The peshkash due from the proprietor shall cease to be payable from the end of the fasli year immediately preceding the notified date.

Any claim or liability enforceable on the notified date against the proprietor or other landholder will be enforceable only against the interim payments or the compensation paid to him.

An officer with the necessary staff will be appointed to give effect to the provisions of the Act, to superintend the taking over of estates, to survey and settle the estates, and to make arrangements for their administration, etc.

Bill Defended: Reply to Criticisms

In another statement, the Hon'ble Sri Kala Venkata Rao, Minister for Land Revenue, answers certain criticisms.

I have read with interest Mr. Prakasam's statement criticising the provisions of the Bill for the abolition of the zamindari system in this province. His central argument regarding compensation is that the zamindar being only an assignee for the collection of revenue, no compensation need be paid to him at all when that function is taken away from him. He also contends that if any compensation is paid at all, it need be paid purely as a matter of grace and that the basis for it may be one-ninth or one-tenth of the total revenue of the estate at the time of the Permanent Settlement plus the revenue from lands brought under cultivation after 1802.

2. Extremely divergent views have been expressed on this very difficult question of discovering a basis on which compensation should be paid to zamindars when estates are abolished. These views have ranged from an assertion on the one hand that no compensation should be paid at all, to a claim on behalf of the landholders that they should be paid compensation on land acquisition principles based on the present market value of their estates. The policy of the Congress in this matter is to pay equitable compensation. And discussion in different Provinces in India has centred round the question as to what equitable compensation is. The logic behind the Madras proposal on this question is as follows :—

The land revenue payable by the ryots in estates represents the "rajabagam" to which, from time immemorial, the ruler in India has been entitled. At the time of the Permanent Settlement, the total land revenue payable on all the lands in the estate was worked out from the average of the preceding few years, based on such village accounts as were available or on other material. Approximately two-thirds of the figure thus arrived at was fixed as the peshkash. This proportion was slightly varied in individual cases with reference to special features like the possibilities of development, the unproductiveness of the soil, the zamindar's ability to pay, etc. The balance of one-third was left to the landholder as recompense for the trouble of collecting the land revenue. It was also laid down that all income from extension of cultivation should belong to the landholder. As against this, he had to maintain a staff to make collections and to look after administration generally; he

had to maintain irrigation sources in good repair and he was also entrusted with the responsibility of improving the well-being of the ryots under him. In ryotwari areas the "rajabagam" is represented by the ryotwari assessment. It will be generally conceded that the ryotwari system is fairer to the ryot and more systematic in its incidence than the level of rents in estates. When the zamindari system disappears, there is no alternative except to settle the lands on a ryotwari basis which is the system obtaining in two-thirds of the province. Therefore the principle underlying the scheme of compensation in the Bill is to superimpose on the results of a ryotwari settlement, the rule that was generally adopted at the time of the Permanent Settlement, viz., to divide the gross demand in the ratio of 2 : 1 between the State and the landholder. From the landholder's share so ascertained deductions amounting to 13⅓ per cent are to be made for expenses of administration and the cost of maintaining irrigation sources—both liability cast on him by the Permanent Settlement. Thus the net result is that he will get only the capitalized value of one-fifth of the ryotwari income as compensation. It is therefore clear that the scheme of the Bill, for this purpose, is to treat the zamindar only as an agent for the collection of revenue and to compensate him for the rights he has acquired in that capacity over a long period. The Bill does not concede any property right in the the estate to the proprietor. Mr. Prakasam's illusory argument that compensation is intended for potential value of land, forests, fisheries, etc., has no place in this Bill. He must have misunderstood the scheme of compensation embodied in the Bill and has raised a ghost for nothing.

3. Mr. Prakasam has not chosen to explain why compensation should be paid on the basis of either one-ninth or one-tenth of the total revenue in addition to the revenue from lands brought under cultivation after 1802. As far as I can discover, there is no logical basis for this one-ninth or one-tenth. As for revenue derived from extensions of cultivation, it will be impossible in the case of most estates to discover the limits of cultivation at the time of the Permanent Settlement and the area which has since come under cultivation. It is obvious that in the case of many estates these extensions will be considerable in area ; and to award compensation on the basis of total revenue derived therefrom will be to put up the total compensation considerably.

4. Mr. Prakasam urges that the "unalterable" rates of rent fixed in 1802 will serve as a better basis for awarding compensation. In the first place, it is a moot point whether the rents fixed in 1802 are "unalterable." While the argument may have validity in respect of money rents, it certainly does not apply to grain rents. And grain rents prevailed in most estates at the time of the Permanent Settlement. To put rents back to the 1802 level would be to ignore completely the course of events during the last 145 years, including changes in the value of money and in agricultural economy generally. As far as the argument that some "unascertained rate of rent of the neighbouring Government jiraiti land is proposed to be fixed as rent payable by the ryot," I leave it to the public to judge, whether the existing levels of ryotwari assessment are likely to prove more satisfactory than the hypothetical rates of rent which prevailed in 1802 and which in most cases it will be impossible to ascertain at this distance of time. It is significant in this connection that the demand of the zamindari ryots has always been that for rent and for other purposes they should be put on a par with ryotwari pattadars. Sri T. Prakasam and some of us who supported him previously on the proposition of the 1802 rents did so because it was the only alternative at that time to total abolition, which we thought we could not achieve in the political set up at that time.

5. Mr. Prakasam criticises the provisions in the Bill regarding payment of compensation in respect of forests, mines, fisheries, etc. The scheme of the Bill is to take over an estate lock, stock and barrel without assessing compensation separately for various items like forests, fisheries, etc. The position is that the gross annual income from these sources for the first year after Government take over the administration will be added on to the assessment from cultivable lands and that one-fifth of this total will form the basic annual sum for purposes of compensation. The proposals in Mr. Prakasam's Bill of 1947 were to vest forests, minerals, etc., in village communities. Forests, minerals, fisheries, etc., are valuable national assets and the proposal to let village communities exploit huge forests and big mines would have been unworkable in practice besides being injurious to the welfare of the community as a whole. The present Bill seeks to put them in the same position as forests, mines, etc., in the rest of the Province, and I am certain the public will regard this arrangement much more satisfactory. To seek to mislead the public over this matter is really unjust on his part.

6. Mr. Prakasam says, "Whatever the zamindars demanded in the memorandum submitted by them in regard to the basis and method of calculation of compensation are adopted bodily in the present Bill." This is simply not true. Reduced to bare essentials the Bill seeks to pay compensation to the zamindars on the basis of one-fifth of the annual income under a ryotwari settlement. Zamindars, to my knowledge, have never even suggested that such a basis should be adopted. On the other hand the zamindars have always claimed compensation on the basis of their present net income. Mr. Prakasam cannot deny knowledge of the fact that the one-third ryotwari basis was partly worked up by my Honourable predecessor-in-office Sri Karanth.

7. Mr. Prakasam refers to the disparity in the rates of assessments obtaining in the different districts and says that it is meaningless to levy the resettlement rates of assessment on lands in zamin areas. I am quite unable to follow this criticism. If there are disparities as between districts and as between the people who pay the land revenue the matter will certainly be set aright in my next legislative measure which seeks to codify land revenue law for the whole province and will introduce progressive taxation methods.

8. Mr. Prakasam says that an acreage amounting to more than one-fourth of the total area in the zamindaris will go to waste by the application of the ryotwari assessments. I am unable to follow this criticism either. Some marginal land held on ryotwari tenure may remain fallow every year but it is quite unlikely that ryotwari land which is now cultivated will go out of cultivation because of a ryotwari assessment which will be generally lower than the rent now paid by estate ryots. On the other hand more land in estates is likely to come under the plough after conversion of the estates to ryotwari. Further, speedy repair of irrigation works in zamindari areas which will follow abolition will surely very much increase and never decrease the extent of cultivation. His argument about bonus to cultivators has no bearing on this question at all.

(*Continued on page 15*)

Resources of Local Bodies

[The following is the second part of a discussion between the Hon'ble Sri Chandramouli and Mr. A. N. Sivaraman, broadcast from the A.I.R., Madras. The first instalment appeared in the previous issue of "Madras Information."]

Mr. S.—Good evening, Mr. Chandramouli. Before we begin to discuss the resources of local bodies at present and as envisaged in the new set up proposed, it is perhaps useful to re-state the main features of the general picture of local administration you gave me the other day.

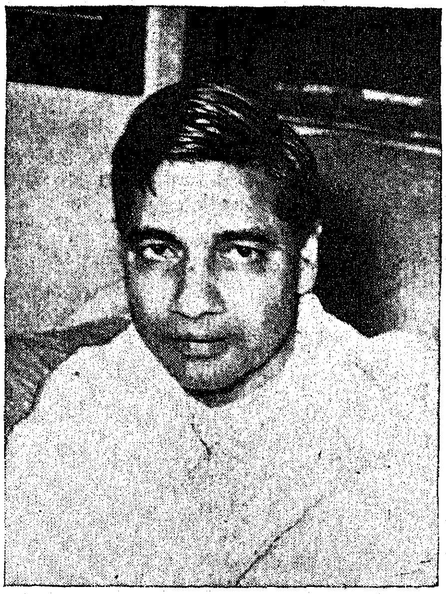
Mr. C.—Of course. It is certainly good to recapitulate what we discussed earlier before we proceed further.

Mr. S.—I recollect six main points which you raised regarding the future of local administration. Firstly, it is your intention compulsorily to constitute a village panchayat in every revenue village irrespective of its area. Secondly, in your scheme there will be no taluk boards or district boards. Thirdly, the panchayats will be charged with the obligation of the maintenance of streets, the repair of irrigation channels and tanks, looking after the sanitation and the maintenance of some of the local services. Fourthly, you also propose to give these panchayats a good deal of autonomy to manage their own affairs subject to the supervision and control of the Provincial Government through Inspectors of Panchayats. Fifthly, the panchayats will be empowered to levy taxes in order to be able to discharge their new obligations. The Provincial Government will collect land cess for the panchayats, and lastly you said that the employees of these panchayats will be on a par with those of the other departments of the Government in status, position as well as pay.

Mr. C.—Yes, that is a fairly accurate summary of what I have said in the course of the previous interview.

Mr. S.—Well, now what do you think will be the financial implications of your proposal to abolish the district boards ?

Mr. C.—If the district boards are abolished, the whole of the land cess now given to them may be apportioned to the panchayats. The grants made to district boards under the heads of sanitation, medical facilities, etc., may also, at least partly, be allotted to the panchayats as long as they run some of the rural dispensaries and make general arrangements for the upkeep of sanitation and other health measures



such as maternity and child welfare. Half grants may also be given for laying and maintaining village roads just as they are being given at present. Some of the panchayats may also run their own markets, cottage industries and other remunerative enterprises, thereby adding to their resources. As such, the financial implications of the proposed abolition of the district boards do not seem to be a very serious problem. By the way, I even feel that the people as well as public workers will appreciate the elimination of one more election and the incidental expenses.

Mr. S.—In your proposed structure of rural autonomy the village panchayat will be in charge of a number of functions connected with rural well-being. Do you think the resources you say you will put at the disposal of these panchayats will be sufficient for an efficient discharge of the allotted functions ?

New sources of Revenue

Mr. C.—Of course. New duties as I said will be supported by new sources of revenue. Here I propose to digress and discuss the new taxation policy that has to be borne in mind in our country which is now free from foreign domination. In the past the system of Government taxation itself was not based on principles beneficial to the people in general. After the achievement of Independence and with the people's representatives wielding power, policies and schemes are being enunciated and initiated to reshape the basic principles of State taxation. Taxation by local bodies is very closely connected to and dovetailed with the taxation levied by the Central and the Provincial Governments. Local bodies have to be given new sources of income particularly of a non-tax type. Though local bodies exercise "Governmental" as well as "private powers", in the field of taxation the local bodies can only touch those resources not tapped by the State.

Mr. S.—Is it your view that there are still some sources of revenue left to the local bodies after exhausting the sources already tapped by the States ?

Principles of Taxation

Mr. C.—Of course. As I have already stated there has to be a re-orientation in the very principles of taxation adopted in this country. For instance, in France, local self-government is part of the general administrative system. It is a limb of the State. Even so, the local bodies are not permitted to encroach into the taxes levied by the Government. In India, where the system of taxation is now in the melting pot, the system of taxation by local bodies is also necessarily in that stage. On account of the different social and other customs every province in India is adopting its own methods in th s respect, and a system has been followed also in our Province. At present in our Presidency only 300 major panchayats and some minor ones levy house-tax. The remaining 7,000 and odd minor panchayats rely only on the meagre land cess which is doled out by the Government to each one of them. The large majority of them get only a few hundreds annually from this source and are not able to maintain any public service worth the name. On the Continent and in England and America, local bodies are running public utility services like hotels and restaurants and transport. These sources serve to augment the income of those bodies. Many local bodies of sea-side towns and health

resorts make money by openly encouraging tourists to visit them for sightseeing. These local bodies have devised various ways of extracting as much money as possible from tourists. Some such methods and means may be employed by our local bodies to augment their resources. I envisage one important source of revenue in future for these panchayats and that is the promotion of local industries. The panchayats can subsidize important industries with the ultimate aid of making them remunerative enterprises. This will also give a fillip to cottage industries and give them a new lease of life. It is also a matter for consideration whether as long as Government assign certain Governmental functions to local bodies, and direct them to discharge these functions, some portion of the general revenues of the State should be allotted to each local body to enable it to discharge these functions efficiently and satisfactorily This will finally mean a reorientation of the present financial canons of Provincial Governments The other sources for panchayats, as I have already pointed out, include cesses, land revenue, fish and grass sales, house-tax, etc. Here I may add one optimistic note. A great deal depends upon the public spirited attitude for the future villagers, who, I expect, will ere long rise to the same standards of philanthropy as in Western Countries. In the West, a number of public utility institutions like hospitals and schools are endowed by the public and run by local bodies. I expect the Indian citizen will, in due course, come up to the same level of public spirit.

Mr. S.—In what respect does your enumeration of resources differ from the present list of resources enjoyed by the minor panchayats ?

Mr. C.—Except, perhaps, the addition of land revenue and more Government grants, there does not seem to be any difference.

Rate of Taxation

Mr. S.—I suppose the panchayats will have the power to determine the rate of taxation ?

Mr. C.—The general rule everywhere is that only the local body should determine during budget time the total amount to be raised by local taxation. It necessarily follows that only the local body should determine within the law the actual rate of taxation annually. In all countries in the West as well as in the East, no local authority has the power to determine the kind of taxes that shall be levied by it. That is decided only by the State legislature. Similarly in Madras, whether under tax or non-tax resources, a local body can derive income only under the items allowed by Government enactments. In fact, even the limits of such taxation are only determined by the Government and variations from them proposed by each local body should have the prior approval of the Government. As remarked elsewhere, when a people's Government is in charge, such limitation imposed for the benefit of the general population cannot be normally described as a restriction.

Mr. S.—In 1945, the Government were collecting a cess of 2 annas in the rupee out of which 6 pies went to the panchayat and 18 pies to the district boards. When you abolish the district boards, are you going to give the village panchayats the entire cess of 2 annas in the rupee ?

Mr. C.—That is the idea. It is difficult without working out the full details of the future income and the needs of the panchayats commensurable with their size, how much share exactly they need get. But it is proposed, in the new set up, to concede to the panchayats which in fact cater to the needs of the basic administrative unit of the country, a decent share of the income derived from its area from as many sources as possible.

Mr. S.—Over and above the land cess, do you propose to allot any portion of the land revenue also to the village panchayat ?

Mr. C.—I have just answered that question in a general way. Land revenue is one of the sources of revenue of Government derived from areas in the country which are essentially covered by panchayats in the new set up. As such, a portion of this is also to go to the panchayat. In the new legislation there is a proposal that at least one-fourth of the land revenue should be allotted to the panchayats. One important point to be borne in mind in relation to the principle of rural autonomy is that the emphasis in a Free India will be more on the rural than on the urban development. It has for a long time been a complaint in our economy that the rural parts are being exploited for the advantage of the development of the urban area. The principal object of rural autonomy is to root out this exploitation.

Mr. S.—One of the objects sought to be achieved by the institution of Local Government should be to decentralize the Governmental functions in respect of local amenities. Do you think your scheme will achieve this object ?

Mr. C.—Certainly. Units of local administration in England and America have a very large number of subjects of local importance which they can administer. For instance, a local body in England is in charge of the health of the people. It administers its highways and transport. It is also in charge of housing, civic planning and the local schools. For instance, the local body in Huddersfield maintains a well-known polytechnic in which certificates from primary course to degrees of Ph.D. are awarded. The local bodies run public libraries and art galleries. With some aid from the State, they maintain a police force and look after the public safety of the local people. They run public utility services and arrange relief for all the poor. Although our local bodies in the Madras Presidency are unable, under the present circumstances, to arrange such important and vital amenities, it is not too much to hope that in the near future quite a number of these subjects would be looked after by them. A mofussal municipality in the Madras Province, under the present Act, can only administer a restricted number of subjects. It is our aim to model our municipalities on the lines of some of the most modern countries in the world.

Municipalities

Mr. S.—But, Mr. Chandramouli, my question was about panchayats of the average population ; the average village has only about 2,500 people. All that you say may apply to municipalities but not to villages. But anyway let me not argue. Let me ask you about municipalities. What do you think would be the resources of municipalities to run the public services which you have just mentioned ?

Mr. C.—The municipalities in Madras now rely mostly on the taxation on properties to derive their revenues. They tax not only buildings but also the land appurtenant to it. This item of revenue constitutes about 60 per cent of the total income on an average municipality. Though the cost of materials and the expenditure on the civic services have risen abnormally high, it can be safely said that the above rate of property tax has not kept pace with the growing needs and expenditure for every town. Many municipalities now rely a good deal on Government grants to keep up their administration. Various taxes on factories, dangerous and offensive trades, construction of building, etc.

bring in an appreciable income. The income under public and private markets is also considerable. We have festivals attended by pilgrims. Levies are made under the Public Health Act to meet part of the expenditure on the conservancy arrangements necessary for the occasion. In certain places, with the previous approval of the Central Government, a pilgrim tax is levied on railway passengers, either on festive days or throughout the year according to the importance of the pilgrim centre. There is one other point. The Government have already moved to nationalize motor transport. In this, municipalities and other self-governing bodies are allotted 20 per cent of the financial interest. The income on this will be a fair source of revenue to the municipalities. Besides this, the Corporation of Madras and the bigger Municipalities may be allowed to operate motor transport and tramways. Proposals are also now under consideration to permit municipalities to levy a tax on advertisements and to muncipalize all private markets and cart-stands. In one town in this Presidency a market built in pre-war time at a capital cost of about 3 lakhs of rupees is now yielding an annual revenue to the municipality of one lakh of rupees. It is also under consideration whether a separate higher scavenging tax shall be levied.

Mr. S.—But you would agree that most of what you said now cannot be true of the village panchayats ?

Mr. C.—Yes. If you are seeing only the present village. I am visualising a new people and a new villages, which will have the advantage of cheap electric power, education and a better public spirit.

Mr. S.—Do you consider that the undertaking of public utility services by municipalities will considerably augment their resources ?

Mr. C.—Well, it is hoped but it has yet to be seen. If what we are contemplating is to materialise and is to be put into operation no Municipality need suffer financial insufficiency. On the other hand, with the increased resources and the determined efforts of the people much progress can be achieved within a short period in providing many more public facilities than at present envisaged.

Mr. S.—May I take it that Government have given full consideration to the financial and administrative implications of the abolition of District Boards and of having no territorial local self-governing body other than panchayats and municipalities ?

Mr. C.—As I have made it clear at the outset, the whole matter is under active consideration of Government. We have been discussing only some of the possibilities and I have given you the general picture of some of the aspects of the problem. The entire scope of the proposed legislation will, I assure you, be reconsidered in the light of the many useful points you have raised. In particular, the question of a territorial local-self-governing body will be reconsidered. After all this, the proposed Bill, I am sure, will be far in advance of the measures in other Provinces.

Mr. S.—Well. I have just one more question. What exactly is it, Mr. Chandramouli, that makes you contemplate changing the existing organisational set up in respect of local bodies ?

Mr. C.—It has to be confessed, taking all aspects into consideration, the powers and the financial position of all the three categories of local bodies in this Presidency are in a perilous and unsatisfactory state. With patriotic and selfless workers at the helm of affairs, desirous of doing their best for the common man of the urban as well as rural areas, it is but fit that a fresh and orginal approach is made to the problems of local administration. But this will naturally take some time as the State itself has got to re-adjust its vision in the new era of Independence.

Affiliation of Ceded districts and Chittoor to Andhra University

Public opinion invited on Committee's report

In March 1947, the Government constituted a Committee to consider the question of bringing in the Rayalaseema Districts under the jurisdiction of the Andhra University. The Government have received the Committee's report in May 1947. The Government have also received a minute of dissent from two members of the Committee. Objections and proposals to include the Rayalaseema Districts within the jurisdiction of the Andhra University have also been received from various quarters. The Committee's report is of two parts, one referring to the matter of the affiliation of the Ceded Districts and the district of Chittoor to the Andhra University and the other referring to certain facilities which the Committee would like to give to the Ceded Districts. These two are separate matters not necessarily dependent upon each other. The Government desire to elicit public opinion on the main point in the report, i.e., on the matter of affiliation of the Ceded Districts and Chittoor to the Andhra University and accordingly the report of the Committee is published. All communications of opinion on the report may be sent to the Secretary, Education and Public Health Department, Fort Saint George, Madras, so that they may reach him not later than one month from the date of publication.

Text of the Report

Section I

This Committee was appointed under G.O. Ms. No. 594, Education, dated the 24th March 1947.

The members of the Committee as originally constituted were :—

Sri C. R. Reddy, Vice Chancellor of the Andhra University, Chairman, Sri T. Viswanatham, M.L.A., Secretary, Sri L. Subba Rao, B.A., B.L., Cocanada, Sri N. Ranga Reddy, M.L.C., Sri Kalluri Subba Rao, M.L.C., Sri T. Subramanyam, Bellary, Hon. Sri B. Gopala Reddi, M.L.A., Hon. Sri H. Sitarama Reddy, M.L.A., and S. M. K. Beyabani Sahib Bahadur, Kurnool, Members.

Subsequent to the constitution, Hon'ble Sri H. Sitarama Reddy withdrew his membership on his becoming a Minister. At the same time three other members, namely,—

Sri B. Anantachar, M.L.A., Hospet, Sri S. Nagappa, M.L.A., Kurnool and Md. Raza Khan Sahib Bahadur

representing the Muslim Constituency, Chittoor, were added.

The first meeting of the Committee was held at Madras on the 22nd April 1947. Sri C. R. Reddy, Hon. Sri B. Gopala Reddy, Md. Beyabani Sahib Bahadur, Md. Raza Khan Sahib Bahadur, Sri T. Subramanyam and Sri T. Viswanatham, Secretary, were present.

The second and final meeting of the Committee was held on the 15th May 1947 at Waltair. All the members excepting Sri B. Anantachar and Tekkur Subramanyam were present. Sri B. Anantachari sent a telegram that he could not come as there was derangement of train service. Sri T. Subramanyam intimated first that he would be coming but, however, he sent a telegram later regretting that he would not be attending the meeting. The Registrar of Andhra University was present by invitation.

The tentative conclusions arrived at at the first meeting at Madras were considered at the meeting at Waltair and final decisions were taken. The Chairman was authorized to sign the report on behalf of the Committee and forward to Government for early consideration and action.

Section II

At the first meeting the Chairman referred at the outset to the fissiparous tendencies that were prevalent in the country and emphasized the supreme importance of the Andhras setting an example as to how they could get over the small difficulties and illustrate the higher principles of life, by uniting themselves. He then read out for the benefit of the member a copy of the proceedings of the Senate of the Andhra University held on 3rd December 1937 which had been previously circulated among the members of the Committee in connexion with the question before the Committee. After discussion and clearing of the ground certain tentative conclusions were arrived at, so that the picture in concrete form might be presented in order to take together the abstract and realistic aspects for consideration before a decision is arrived at on the questions, under reference, before the Committee.

Section III

As already mentioned above, all members excepting two were present at the second meeting at Waltair on the 15th May 1947. They had arrived at Waltair on the 14th instant. The Principal, Professors and the Registrar took the members round the various departments of the University explaining in detail the special features of the Research in Physics, Chemistry Geology, Technology and Industrial departments which the Andhra University has been carrying on. Prof. Baghavantam, Head of the Department of Physics, gave a demonstration of weather recording by sending up a balloon which could lift a weight of 30 lb. and explained the working of the radio transmission and receiving apparatus in it developed during war-time and took the members to the Metereological Department of the University to study the record of the flight. The other professors also explained in detail the working of their departments both on the curricular and on the creative sides.

On the 15th instant the Registrar took the members to a visit round the Scindia Ship-building Yard, Harbour and the Aerodrome. These visits were considered necessary, as there was an intimate connexion between these institutions and the expanding departments of study in the University in the basic Sciences underlying Marine and Aeronautical Engineering. The University Faculty Club met the Committee in the evening.

Section IV

The Committee met at 8-30 a.m. on the 15th May and considered at first a letter from Mr. Bhima Rao, M.L.C., addressed to the Hon. Minister for Education and which the Chairman passed on to the Committee, recording his protest against the inclusion of Bellary in the Andhra University area. After due deliberation the Committee recorded its opinion as follows:—

The Committee is of opinion that until the division of the Bellary district into Kannada and Andhra parts has been duly effected, Bellary district must be treated as an entity belonging to the Madras Presidency and to the Andhra University area thereof; and that for purposes of the present project of re-amalgamation, his protest could not be valid.

But the Committee would place on record its opinion that when such bifurcation takes place the colleges organized in the Kannada area of the Bellary district thus separated away from the Madras Presidency, would be quite welcome to join a Kannada or any other University.

In instance whereof it may be pointed out that the Andhra University not only did not raise any objection to the exclusion of the Kalikota and Parlakimedi colleges from its jurisdiction and their attachment to the Utkal University but has been helping the Utkal University by conducting examinations for these two colleges on its behalf.

The following facts might be recalled in this connexion :—

That in the original Act, Bellary district was included in the area academic and administrative, of the Andhra University; and even now it continues to be administratively connected by having two representatives on the Andhra Senate."

The Chairman then took up the tentative conclusions arrived at, at the last meeting and threw them open for discussion clause by clause. Following are the proposals in their final shape :—

Proposals

1. Government should be urged to see that an equitable number of students from Western Andhra are admitted to their professional colleges in Madras and Andhra Universities. As far as possible districtwar quotas might be adopted. This will apply to pass courses and professional institutions.

2. In the Andhra University for Honours and Post-Graduate course preference should be given to candidates from Western Andhra, other things being about equal; and as a further inducement certain scholarships should be made available for them with the aid of grants from Government for this purpose. Government should give special grants to the University for instituting two scholarships in every department of the University, for Graduate, Masterate and Doctorate courses at progressively higher rates for the three courses, the period of the courses being prescribed by the University.

3. From an academic point of view it is necessary that there should be two sets of developments. At Waltair sufficient funds must be given to increase the number of admissions in the Honours branches and in the Post-Graduate courses to amplify the facilities now available and to institute higher specialities not yet organized.

4. A Residential Girls' College with domestic sciences on a highly scientific scale as its speciality should be organized with the least possible delay and this college should be a general one comprising Intermediate in Arts, Intermediate in Science, B.Sc., Honours, D.Sc. and other higher grades.

In regard to the admission for Intermediate and the pass courses in the Girls' Colleges, seats should be reserved for girls hailing from Western Andhra.

5. (a) The Tirupati Oriental College should be transformed into a big Institute of Indology to be conducted in affiliation with the Andhra University.

(b) That research sections in Deccani history and Islamic culture be organized in the University.

6. The Anantapur College should be developed so as to have pass courses in B.A., B.Sc. and B. Com., on an up-to-date scale and it should be made possible for distinguished Bs.A. and B.Sc.s' of the Anantapur College to take up Honours and Post-Graduate courses at Waltair.

7. In addition, a Teachers' College should be organized for Western Andhra and this should be in addition to the Teachers' College now functioning at Rajahmundry.

8. It is understood that there is an Agricultural Farm at Nandyal. The Committee feels that the most important development in this line is research in the various products of Rayalaseema and the discovery and propagation of crops suited to the climatic conditions, such as, temperature and rainfall of this tract. Such a Research Institute should be started by highly qualified graduates in Agriculture and it should aim at something more than the work of broadcasting and exhibiting knowledge or carrying on minor experiments, though these should not be neglected.

9. (a) It is of the highest importance that in each of the districts of Western Andhra an Intermediate College should be established which will coach in Science with Laboratory and Workshop practice and applied sciences like Agriculture, Surveying, Secretarial methods and such other things that are provided for in the University regulations.

(b) Such institutions have to be further developed into Intermediate Polytechnics which will prepare students either for direct entry into livelihood or into the higher course of the graduate grades.

10. A Law College of the Andhra University functioning as a three year post-intermediate as well as a two year post-graduate institution be located at Anantapur. Such a college now exists and is temporarily located at Masulipatam, with the preliminary year working at Waltair.

11. The Engineering College now sanctioned for the Ceded districts and functioning at Guindy should be shifted to its prescribed headquarters at Anantapur.

12. The Committee thinks that for the full development of the Rayalaseema it is desirable that a Medical College should be organized and located preferably at Madanapalle.

13. The number of senators returnable by the registered graduates be increased to 22 of whom 10 shall be reserved for candidates having their domicile in the Western Andhra districts.

14. The Committee is also of opinion that one of the statutory meetings of the Senate should be held at Anantapur.

15. The present weightage given to Western Andhras in the matter of representation from the local bodies be retained.

The Chairman then suggested that the question of the basic principle of re-affiliation be taken up on the understanding that the above mentioned proposals and considerations would be given effect to; and for facility of discussion he put it in the form of a draft resolution. The Committee had a general discussion. The final form of the recommendation unanimously arrived at by the Committee after full deliberation is as follows :—

Recommendation

"This Committee is of opinion that to maintain and consolidate the natural unity of Andhras and in the best interests of higher education in the entire Andhradesa including the Western Andhra areas popularly known as Rayalaseema and Chittoor and the Coastal districts, the re-amalgamation of the Western districts to the Andhra University is desirable and necessary and that in such re-affiliation, the proposals made by the Committee supra with a view to meeting the concrete educational problems of the areas concerned and to provide educational facilities for the Western districts to reach the requisite levels in higher education and to play a due part in the administration of the University be given effect to by Government with the least possible delay."

Mr. Ranga Reddi speaking for himself and others from Rayalaseema was of opinion that though at first he was opposed in principle to the re-amalgamation, he would in view of the concrete proposals now presented be prepared to change his opinion provided these recommendations generally speaking, are accepted by Government as a statutory obligation. Amongst these recommendations he would urge as specially important and immediate the organization in the districts concerned the type of Intermediate Colleges adumbrated in these proposals.

The Chairman observed that an assurance from Government ought to suffice.

At this point the question was raised whether these colleges should be entirely financed by Government or whether the districts concerned should find a moiety of the expenditure.

It was argued that Government were maintaining five colleges outside Madras City in the Southern districts and Malabar and so these colleges might be full Government Colleges. The Committee hopes that the people also will come forward with donations.

(*Continued from page 8*)

9. Lastly, Mr. Prakasam says that under the Estates Land Act, when the Zamindar instead of cultivating his private land by himself or by hired labour, chooses to let it out to tenants, the lands automatically cease to be his private lands and become ryotwari lands and that the present Bill enlarges his rights. This is quite inaccurate. At present the Zamindar pays no assessment on his private lands. After abolition he will have to do so. This is certainly not enlargement of his rights. Moreover private lands which have ceased to be such by conversion into ryoti will become ryotwari lands registered in the name of the ryots and not of the land-holder. A Tribunal will estimate all his false claims.

The Government have accepted the offer of the Committee of the Poorman's Depot, Namakkal, to donate a sum of Rs. 865-8-5 and any additional sum required, for the purchase and installation of a shadowless lamp and a ceiling fan in the operation theatre of the local Government Hospital.

* * *

The Government have sanctioned an allotment of rupees twenty thousand towards the relief of the distress caused by the floods of Budameru river in the Kistna district.

Industrial Planning Committee's Recommendations

Summary of the Interim Report

The Industrial Planning Committee constituted by the Government of Madras has submitted an interim report on some of the problems of industrial planning. In the light of the reactions of the public to this report, it is proposed to prepare the final report in due course. By that time the political set-up will have assumed a more definite shape, and the authority of the Provincial Governments in the industrial field is expected to be more clearly defined.

The interim report does not cover the entire range of subjects referred to the Committee, but only the broad outlines of industrial policy and the conditions necessary for rapid industrialization.

Progress of Planning

Planning has been in the air for a long time now, and a large volume of literature, official as well as non-official, has been produced on this subject. And in these publications the term 'Planning' is defined variously. According to the Committee, planning means the establishment of an authority within the State with powers to dictate production programmes which various industries must undertake, and as ancillary thereto, the power to control the location of industries and to canalise savings of people into financing of schemes for the development of the country. Until we decide to socialize all industries, private initiative should be largely responsible for the development of industries, except in the case of those which the Government may, for strategic or for other sufficient reasons, decide to own and control. The problem of planning, considered in that light, is to ascertain in what ways the State can help the industrialist. The concentration of economic power along with political power in the hands of politicians will result in creating an authority which cannot be curbed except by other powers of equal or greater magnitude.

To recapitulate, planning in India should be confined to control over production and location of industries. The first objective involves the licensing of industries and the issuing of directions regarding output and standardization of goods to be produced. By these means the State will be able to equalize demand and supply and maintain price levels. The control over the location of industries will enable the State to avoid concentration of industries in urban areas with its attendant evils and will ensure the proper distribution of industries throughout the province.

While the State should assist production in the manner mentioned above, the distribution of industrial products should normally be left in private hands.

Political Assumptions in Planning

Planning, especially industrial planning, is compatible with any form of Government. Planning is quite consistent with cent per cent private ownership, though in course of time it might irresistibly lead towards State ownership. It is, however, essential before attempting planning, to decide whether it should have any particular bias towards socialism. The Committee assumes for the purpose of its industrial plan that the future Government of India will be a democratic Government with a bias towards socialism.

Nationalization of Industries

It is essential to bear in mind the distinction between nationalization of industries and State ownership of industries. Nationalization implies that a class of industries within a specified area becomes state-owned and no scope is given to private industries of that class to exist within that area. In other words, the State assumes monopolistic control of a branch of industry within that area. In the event of the State's owning an industry, it does not necessarily mean that the scope for private enterprise is cut off from that branch of industry, but the State becomes just another competitor in that branch of industry.

In the immediate future it may not be possible to initiate a policy of nationalization on a large scale. The difficulties in the way of nationalization are many. To mention only the chief among them, the administrative departments of the Government have not been organized to undertake the management of industries.

For the purpose of considering the question of nationalization, the Committee thinks it desirable to classify industries under the following four heads:—

1. Defence industries.
2. Industries connected with the generation of power.
3. Industries connected with Transport and Communication.
4. Industries essential to the general economic well being of the people.

The Committee is unanimously of the opinion that the industries grouped under the first head should be completely nationalized. In regard to the industries falling under the heads 2 and 3, the majority of the Committee is of the opinion that, though there is a strong case for their nationalization, considering the difficulties which exist in the way of the Government assuming the management of these industries, the scope for private enterprise should not be ruled out in the event of the State not taking the initiative to start them. The Chairman and Dr. B. V. Narayanaswamy Naidu, however, feel that the trend of recent thought is that the responsibility for the development of these industries is on the State and they, therefore, consider that it is essential that these industries should also be exclusively owned and controlled by the State in the same way as Defence Industries. With reference to the industries falling under the fourth head, the Committee is unanimously of the opinion that full scope should be given for private enterprise as these industries require a greater degree of technical skill and managerial ability for their development than other industries. But, wherever there is reluctance of private capital or absence of private initiative, either to undertake them or to expand them, Government may step in, promote these industries and may own them either completely or partly or render State aid.

Examining the constitutional aspects of the question, the Committee expresses the view that the provincial legislatures should have the power of legislation regarding incorporation of companies with provincial objects, and to control the operations of companies within the province though they are incorporated outside, provided in the latter case the provincial laws are not repugnant to any provision in the Central legislation. Powers similar to these are granted to the federating units under the Canadian Constitution, but not under the Govern-

ment of India Act, 1935. The Provincial Legislatures should also have power to legislate in respect of local works and undertakings within the respective provinces, which are not considered essential for the Centre to control.

Control by the Centre of the Provinces

The question whether planning should be done by the Centre or by the provinces has been debated both by the Advisory Planning Board and the Reconstruction Committee of Council. Both bodies seem to incline towards Central planning. The Advisory Planning Board has enumerated 21 industries which should be made the subject of Central Planning. They are—

(1) Arms and Munitions of War; (2) Coal; (3) Iron and Steel—Primary Production; (4) Prime Movers; (5) Automobiles and Tractors; (6) Aircraft; (7) Ship-building and Marine Engineering; (8) Other heavy machinery; (9) Electrical machinery; (10) Machine tools; (11) Heavy chemicals, Fertilizers, Pharmaceuticals and Drugs; (12) Electro-Chemical industries; (13) Non-ferrous metal industries; (14) Rubber manufactures; (15) Manufacture of telephone, telegraph and wireless apparatus; (16) Power and Industrial Alcohol; (17) Motor and Aviation fuel, kerosene and crude oils; (18) Cotton and woollen textiles; (19) Cement; (20) Sugar; and (21) Vanaspati.

This grouping is too wide and leaves but few industries for development by the provinces. The Committee is of the view that all industries other than those it has recommended above for nationalization should be subject to planning by the provinces.

The Committee points out in this connection that much can be said in favour of a uniform planning policy for the whole of India, but there is much to be said against it also. There are factors which either mitigate the possible evils of provincial planning or make it difficult to operate plans evolved by the Centre. In the first category may be included the fact that India is not a country which has reached the optimum of industrial production. For another decade at least, there is no danger of overproduction resulting in trade depression and fall in prices. In the second category may be included the fact that India is a vast country, a subcontinent, where enormous distances intervene between province and province. Planning in India should be concerned not so much with the distribution of industries among the provinces, as with their distribution among the different regions in a province. A planning policy which contemplates distribution of goods to deficit areas over long inland routes will be to the disadvantage of the consumer.

The Committee feels that the present system of planning by the Centre is not satisfactory. What the Government of India do is to allocate to the provinces their quota of future production in the various industries. It is left to the provinces to invite applications from industrialists to establish as many units of industries as possible within the limits of the quota permitted.

There are three serious defects in this procedure—

(*a*) The attempt made by the State to determine the future demands for specific classes of goods within the next five years, especially in the present unsatisfactory state of our statistical intelligence, can only be more or less arbitrary.

(*b*) While the Central Government, in assigning the quotas, do not pay adequate attention to the various factors which a private enterpreneur thoroughly investigates before he decides on starting an industry in a particular area, the whole procedure gives to the industrialist an impression that all relevant investigations have been made by the Government and he simply has to apply to them. The incentive to start an industry should spring from the industrialist and the Government may control the development by a system of licensing. Industrial surveys and propaganda should be undertaken by the Government only to assist industrialists and not for arriving at final decisions.

(*c*) In some cases it may so happen that the industrialists do not consider the circumstances favourable for the starting of an industry, and then the quota allocated to the province may be lost to India as a whole, since the quota is not availed of in the quota-holding province and is not usually re-allocated to other provinces.

In short, if the present policy were to be pursued, it means that the provinces will not assume any responsibility for the industrialization of their territory. This should not be. Provincial administrations should be entrusted with the responsibility for industrialization and industrial planning. Only then will they be able to develop an industrial outlook. There is no danger of inter-provincial conflict in this. Even if there is any such conflict, it can be solved through *ad-hoc* Conferences. And then there is the moral authority of the Centre which no province will dare flout.

Location of Industries

The problems connected with the location of industries have been examined by the Office of the Economic Adviser to the Government of India and a memorandum prepared by the Office has been published. The Committee is in full agreement with the policy recommended in it for adoption, which is as follows:—

"Broadly speaking, in a country like India, it will be extremely dangerous for the State to arrogate to itself the right to determine the location of individual undertakings. The successful conduct of industry from the business point of view is of primary importance if India is to achieve the desired industrial progress. The factors which determine this are of such everchanging character that, as the Barlow Commission point out, 'There is no reason to suppose that so far as the profitability of industrial enterprise is concerned, the State, if it should take on itself unduly wide and autocratic powers of regulation and control of industrial location will be likely in general to prove any wiser and to make more far-sighted or enlightened choice, from the point of view of industry, than the generality of those who guide individual undertakings.' The majority of the witnesses examined by the Barlow Commission were, however, in favour of some regulatory action being taken by the State on national lines and in the national interest."

It is, however, essential to bear in mind a few points in considering the location of industries. The distinction is often forgotten between centralization of industry and the size of industrial units. In sanctioning an industry the Government should take care to see that the unit sanctioned is an economic unit capable of competing against similar industries.

Again anxiety to see that every class of industry should be represented in every district should be discouraged. The dispersal of industries among the various districts must be made on the merits of each district in relation to the industry.

Another point to be noted is that the relatively great importance that is being attached to the location of raw materials or of markets is not

justifiable. With the development of transport these factors have ceased to play an important part in the location of industries in Western Countries.

Some of the difficulties experienced at present in the way of starting industries may be traced to the non-availability of data about the potentialities of particular localities. The Committee has recommended in this connection the establishment of a Bureau of Information in the department of industries where such information will be available to the public. But more important than the collection of such materials is the need to impress upon municipalities and panchayats the desirability of preparing handbooks regarding the potentialities of industry within their areas. The Committee recommend that the District Industries Officers may undertake this work in conjunction with the authorities. However much the Government may plan, its success can only be assured if people become industrially conscious. The local plans will, of course, have to be scrutinized and co-ordinated from the provincial, regional and national angles.

Licensing of Industries

Arising out of their recommendations that all other industries except those connected with Defence, Communications, and generation of power should be planned and controlled by the province, the Committee states that the Provincial Government should introduce necessary legislation for taking power for licensing the starting and expansion of industries. The definition of "Industries" in such legislation, must be restrictive rather than too wide. It should not include cottage industries or small-scale industries, say, enterprises requiring less than one lakh of rupees of capital or involving the employment of less than fifty workers. The term "expansion" should be confined to the addition of unit intended to increase the output of the main product of the industry concerned, and not any addition for the purpose of improving the process or for the utilization of by-products. Six Regional Boards of Industries should be constituted, one each for the following six regions into which the Province may be divided:—

1. Vizagapatam, East Godavari and West Godavari.
2. Kistna, Guntur and Nellore.
3. Kurnool, Cuddapah, Bellary, Anantapur and Chittoor.
4. Chingleput, South Arcot, North Arcot, Salem, Coimbatore and Nilgiris.
5. Tanjore, Trichinopoly, Madura, Tinnevelly and Ramnad.
6. Malabar and South Kanara.

The strength of the Regional Advisory Boards may be between five to seven members. They should be nominated by the Government from among persons representing industrial, financial and labour institutions within the region. The District Industries Officer of the district where the Office of the Regional Board is located shall be the Secretary of the Board. The functions of the R.A.B.I., will be to receive applications for the starting of industries in their area and to forward them to the Provincial Advisory Board for Industries together with a memorandum embodying their reasons for or against granting of the licence. It should be distinctly understood that the R.A.B.I. shall not have the power to withhold transmission of an application received by them under any circumstance. The Provincial Advisory Board will be located at Madras. All the members of the P.A.B.I. should be nominated by the Government. It should consist of not less than eleven members, of which six shall be persons representing each of the six regions; two officials of the Government—one, the Director of Industries and another not being an official of the Secretariat; three other members representing financial, industrial and labour interests respectively, who should be residents of Madras. The functions of the P.A.B.I. will be as under:—

1. To assume the same functions as the Regional Advisory Boards in respect of Madras City.
2. To consider all applications transmitted to it by the various Regional Boards, and make their recommendations thereon to the Government.
3. To advise the Government on any question of industrial policy that may be referred to them.

The P.A.B.I. shall have power to co-opt one or more members who are experts in any particular branch of industry to assist them while considering applications relating to such industries. All proposals received by the P.A.B.I. from the R.A.B.Is should be forwarded to the Government together with their recommendations for or against the granting of a licence. To ensure the speedy disposal of these applications, and also to eliminate canvassing, the Committee suggests that the Government shall have only the power to withold the grant of a licence, but not the power to issue a licence to an applicant who has not been recommended by the P.A.B.I. It is also desirable to specify a period of time within which licences should issue from the Government.

Control over production

The Committee recommends that Legislation will also be necessary, in order to secure standardization of products manufactured. The industries which immediately call for some measure of control by the Government are: Textiles, cement, sugar, vanaspati and building materials industry. The aim of the Government should be to see that as far as possible goods required by the masses are produced in preference to luxury articles. Production Boards should be immediately instituted under suitable legislation for each of the industries mentioned above and later on extended to other industries. They should decide the quantity and quality of goods to be produced.

Mineral Resources of Madras Province

It is too early yet to say whether under the new constitution, control over Mineral Development will be with the Centre or with the provinces.

Whatever that be, it may be noted that the development of mining industry in this Province has so far been on very unhealthy lines. No serious attempt has been made to refine the minerals, and methods of exploitation are primitive. This kind of haphazard growth will make scientific and systematic mining at a later stage difficult. In view of these circumstances, the Committee makes the following recommendations:—

(1) *All essential minerals should be nationalized.*—This should only mean that mining operations which are being undertaken by owners or lessees should be undertaken by the Government. The processing or refining of the mineral or metal may be done by State or private enterprise. In the latter case, as in the case of exports the State will only assume the role of sellers of the ore.

(2) *All strategic minerals, viz., coal, lignite, Petroleum, mica, beryl, chromite, ilmenite, silliminite, manganese ore, monazite, rare earth minerals, all uranium and thorium bearing minerals and Piezo quartz, should be wholly left to the control of the Centre for development.*—Their mining and utilization will be a matter for negotiation between the Provinces and States on the one hand and the Central Government on the other.

(3) *All other minerals including sulphur, gypsum, gold, copper, lead and silver ores will be under the control of the Provinces and States.*—This should not mean that each province should be free to follow its own line of development which may not fit into a general pattern considered desirable for India as a whole. For this purpose, the Committee suggests the formation of a Central Co-ordinating Board of Mineral Development in which not only the Centre but also the provinces and states will be represented. The co-ordinating authority will have power to decide on the assistance to be given to the provinces or states in the matter of mineral development. Such assistance may be technical or financial. In the latter case, their decision will be recommendatory in the first instance, until it is accepted by the Central Government. The Co-ordinating Authority *will advise* on the mineral policy to be pursued by the provinces and states and will endeavour to achieve a certain measure of uniformity in respect thereof.

(4) *Branches of units of the Geological Development of India should be set up in every province with the necessary equipment and personnel to be able to take up survey and investigation of mineral resources.*

(5) *Provincial laboratories should be established where analysis of ores could be undertaken and researches conducted.*

(6) *The Provincial Governments and States should be free to employ foreign Geological experts and technicians to supplement any survey to undertake investigation of particular minerals in their area.*

For the recommendations to be implemented, it will be necessary to hold a conference of Provincial Government with Central Government representatives. Unless some measure of agreement on these matters is found impossible, the Committee do not recommend the adoption by the Madras Government of an independent mineral policy.

Labour and Industry

After referring to the epidemic of strikes witnessed by the post-war period and to the economic causes underlying industrial unrest, viz., rise in the cost of living and the widening gap between the income of the worker and the capitalist, the Committee takes the view that the future policy of the Government in this country will tend towards the establishment of industrial democracy which has been defined as " control of industry by workers and the management . . . . under the general supervision of the Government as a whole ". If that ideal is accepted, the aim of organised labour as well as of Government should be to maintain for the workers a standard of living consistent with the national economy. The wage level, the price level and the flow of money are all linked together. It is possible to raise the wage level to some extent by cutting down profits. But, if the wage level is sought to be raised still further, the price level must inevitably rise, and this may lead to closure of industrial establishments and unemployment. Hence there must be sanity in wage demands. Moreover in a poor country like India the largest consumers of common goods are the poor and increase in price is therefore, harmful.

The policy of linking up wages with the cost of living index is a workable solution, but it has its limitations. A general wage policy can be based only on the conditions prevailing in the industrial field as a whole. The aim of the Government should be to secure for the worker a greater real wage than a higher money wage. This is possible only if the Government assume responsibility for providing such social amenities as education, medical relief, insurance, housing, etc. Some such legislation as the Central Government's "Coal Mines Labour Welfare Fund Act" (32 of 47) must be undertaken by the Provincial Government also in respect to industries in general. The cost of such measures should be met by levying a cess on industries themselves.

In the industrial organisation there exists a rigid line of differentiation between management, executive and Labour. Consequently there is also some measure of hostility towards each other among these three groups. This hostility must go, co-ordination and co-operation among them should be established, and transfer from the lower grades to the higher grades should be possible in the case of really deserving men. One of the pre-requisites to make such transfers practicable is the provision of educational facilities to the worker. Work councils and profit-sharing will also go some way in creating cordiality between workers and managements and in producing a genuine interest among the workers in the institutions in which they work.

Financing of Industry

It is now becoming recognised that if industrial development were to take place according to plan, private capital by itself would hardly be sufficient. In fact Madras realised this as early as 1923 and passed the "State Aid to Industries Act," which was amended in 1941 so as to include cottage industries also within the scope of the Act. However, it cannot be said that the Act has helped to any appreciable extent the process of industrialisation in the Province. The conditions required to be satisfied under the Act for the grant of aid scared away many potential applicants. The procedure prescribed for getting aid involves long delays. Therefore these objectionable features, especially section 4 of the Act, should be immediately removed. Even then the Act should have no application to industries other than cottage industries.

To finance industries the Committee states that what is wanted in every Province is an Industrial Finance Corporation on the lines of the institution proposed to be established by the Government of India for the same purpose. Considering the probable demand for assistance from the Government, the Provincial Corporation for Madras Province should have a share capital of at least Rs. 2 crores, and it should be permitted to borrow ten times its paid-up capital. It will be better to establish the Corporation under a special Act of the Legislature rather than under the Indian Company's Act, unless the required legislation cannot be passed without any delay. The Government should own 51 per cent of the share capital. Any danger of unbusiness-like bureaucratic atmosphere and procedure setting in may be obviated by restricting the number of officials on the Board of Directors. It is desirable that the holding of the remaining shares in the Corporation should be as widespread as possible, subject to the condition that the shareholder is a subject of Madras Province. The maximum number of shares a person or institution can hold may be fixed. Binami holdings should be prevented.

The Corporation should be a sort of autonomous body free from Government interference in the day-to-day routine. Management should rest with people who have financial and, or, business experience. Except when huge sums, say Rs. 15 or Rs. 20 lakhs, are involved, the Corporation should be the final authority in the granting of loans.

The loans raised by the Corporation should be in the shape of debentures, the principal and interest on them being guaranteed by the Government.

The possibility of attracting foreign capital should not be overlooked either.

Re-organization of Government Departments

Many are the difficulties which a person has to face before he can get a concern going these days. He has to go from one Department of the Government to the other, and often there is no co-ordination between the various departments. This involves avoidable delay, hardship and loss.

The Committee after examining the question say that, proper planning would require assumption of more and more powers by the Provincial Governments than they possess now, and hence there are urgent and imperative needs to re-organize the Government Departments in such a manner as will ensure co-ordination of work. There is no need for having separate departments to deal with Industries and Industries Planning. These subjects can be dealt with, with advantage, by the same department and the same Secretary. The same Hon'ble Minister should be in charge of both subjects.

Industrial Education

Referring to the question of industrial education, the Committee say that "our educational system has not seriously attempted to visualise the needs of our industry for trained workers, technicians and executives. A proper system of apprenticeship in industrial craft, perhaps on the lines adopted by United States of America is an imminent and imperative necessity in this country. Legislation should be introduced to institute a Provincial Apprenticeship programme, which should provide for a Central Authority to determine the standards of apprenticeship training to be given to each class of worker. The Central Authority should constitute committees consisting of workers and management for each class of industry and all the details regarding apprenticeship training should be left to these committees.

Separate Note

Sri R. Suryanarayana Rao and Sri B. S. Sanjeeva Reddy, Members, have appended a note emphasising the importance of the Industrial Finance Corporation and the need for special Government help to backward areas like the Rayalaseema, in order to develop the industries in those areas.

The Committee places on record its appreciation of the valuable services rendered to it by the Sectetary Mr. A. S. Naik, I.C.S.

The public are requested to send their views on the preliminary report of the Committee to the Secretary, Industrial Planning Committee, Fort St. George, Madras, on or before the 20th of October 1947.

Prohibition

By MR. DANIEL THOMAS, Minister for Prohibition

Drink is an evil which has afflicted humanity for ages past. The manufacture and the drinking of intoxicating liquors seems to have been prevalent from the earliest times known to history in all countries of the world. The particular kinds of liquor and the various ways of manufacturing them have varied from place to place and time to time. With the advance of civilization in modern times the manufacture of strong liquors like brandy, whisky and arrack has become a big industry and the evil has taken its root and hold in every country and in every nation. Side by side with these strong liquors there have been local and subsidiary forms of intoxicating juices in various parts of the world, including India, such as toddy. This evil of drink is eating into the very vitals of people all over the world and one of the great problems which has to be faced in the post-war reconstruction is to eliminate this evil from society. Readers of this journal know very well that some years ago an attempt was made in the United States of America to prohibit the manufacture of liquor and thereby prevent the people of the States from indulging in strong drink. This was tried for some years but the regulation was so widely defied that it practically became a dead letter and finally,

it had to be given up altogether. The reasons for the failure are given out differently by different people. Some people say that it was not possible to enforce prohibition as public opinion was unfavourable and therefore it failed; others say that at least in some of the States of America it was a definite success, but it was abolished because of the manipulations of vested interests connected with the drink trade.

Congress Policy

In India, the Congress Party is pledged to a policy of prohibition. Mahatma Gandhi is vitally interested in the welfare of the people in all villages and he is convinced with a burning conviction that in order to uplift their lives and to rescue them from the grips of poverty, destitution, dirt and disease it is absolutely essential that we should implement a policy of prohibition throughout the length and breadth of the country. Shortly after the Congress assumed office in the Madras Province in 1937, Sri C. Rajagopalachariar, the Premier was keen and enthusiastic in introducing prohibition in the province. As a beginning it was introduced in the district of Salem and it was subsequently implemented in Chittoor, North Arcot and Cuddapah. The scheme was planned to be extended to the other districts of the Province as quickly as may be possible, from the point of view of finance and administration. The general sales tax was introduced by the Congress Ministry specially for the purpose of meeting the deficit which would be caused by the abolition of excise revenue. After the outbreak of the war, the

Congress Ministry resigned in 1939. The Advisers' regime went back on this programme and gave it up in 1944. After the recent elections, the Congress Party again came into power and shortly after the assumption of office by the last Ministry in April 1946, both the Ministry and the Legislature Congress Party as well as the Congress Party throughout the province were keen and eager to resume the introduction of the prohibition programme. This feeling was so keen and high that there were even proposals that prohibition should be introduced in all the 24 districts simultaneously. This was found financially and administratively impossible and prohibition was introduced in 8 districts in October 1946. The programme is to introduce prohibition in 8 other districts in October 1947 and to complete the introduction of prohibition all over the province by October 1948.

The programme of prohibition has been in actual working in our province in the 8 districts of North Arcot, Chittoor, Salem, Coimbatore, Cuddapah, Kurnool, Anantapur and Bellary for the last 9 months. It may be useful now to review the general working of prohibition during the six months.

The total revenue for the province of Madras from excise is 17 crores. But the excise revenue of 17 crores is only a fraction of the actual money spent by the people on drink. The total expenditure on drink may roughly be estimated to be 4 times the revenue, namely 68 crores of rupees. The total population of the province is about 50 millions and we may roughly estimate about 10 per cent of the people to be addicted to drink. This works out that 5 million people spend nearly 70 crores of rupees on drink and the majority of these 5 millions are the people belonging to the working classes who are least able to afford to spend money on drink and throw away on this evil of drink money which is necessary for the better living of themselves and their families.

Success of scheme

At the outset it may be said with fair certainty that as a result of the introduction of prohibition in these 8 districts, between 75 and 90 per cent of the people who had been addicted to toddy are now free from this evil and are thereby enabled to live more decent and more happy lives, spend more money for food and clothing and generally rise to a higher level of living. Side by side with the introduction of prohibition, the Government have also introduced various activities in these villages to improve the general level of the life of the villagers. In these 8 districts about 5,800 gramasangams have been formed and the activities of these sangams are directed to various aspects of the life of the village communities. Village games like Chadugudu and folk-dancing and singing are played by selected groups of the young men of the villages drawn from all classes and communities. Co-operative societies for various purposes are also formed to improve the economic life of the village communities. Thrift societies have been formed to help people to save money for building houses, for buying cattle and such useful and necessary purposes. Prohibition is, after all, a negative programme and side by side with prohibition there should be a positive programme for all-round village uplift. This is being carried out under the guidance and direction of special Ameliorative officers who have been appointed in all these 8 districts.

Public co-operation

It must be admitted that we are face to face with a number of real problems as regards the successful working of the prohibition policy. The first problem is the problem of securing wide-spread public co-operation. Unless every man and every woman in villages and towns of the prohibition areas makes himself or herself personally interested in this policy, prohibition cannot be worked with complete success. There are men who are out to make money out of the present situation and who are manufacturing illicit liquor and selling it to the ex-addicts at very high prices. This problem is intensified by the contiguity of wide areas, such as Mysore, Hyderabad and some minor States in the Rayalaseema area; but Mysore has already adopted a gradual policy for implementing prohibition and I believe that in the course of a few years not only the Province of Madras but all the adjoining Indian States will also go completely dry. The difficulty therefore of checking illicit distillation and sale is more or less a temporary difficulty which we could overcome in course of time. The prohibition laws are also being tightened up in order to make drunkness by itself an offence under the law. This will greatly help the suppression of illicit manufacture and sale of liquor, but greater co-operation between the people, the village officials and Government servants is necessary for the complete eradication of illicit distillation.

Eight more districts to go try

On the 1st October 1947, the Government will implement Prohibition in 8 more districts: Tanjore, Trichinopoly, Madura, Nellore, Guntur, Malabar, South Kanara and the Nilgiris. It is proposed to celebrate this great event in these districts in a fitting manner including public meetings, processions and the free distribution of tea and sweets.

The Madras Government have launched upon a big experiment for the general and social uplift of the people of this province by this policy of prohibition. I would particularly appeal to all the readers of this journal and also to the people at large to give their best thought and aid in support of this policy of prohibition and help thereby to increase the health, happiness and prosperity of the people of this province.

INDEX NUMBERS OF RURAL PRICES

The index numbers of rural prices for the month of August 1947 with the year ending 30th June 1936 as base or 100 were as follows for the several centres in the Province :—

District.	Rural centre.	Rural price index.	Variation when compared with the index for the previous month.
Vizagapatam	Adivivaram	398	A rise of 4 points.
	Thettangi	369	A fall of 1 point.
West Godavari	Alamuru	367	....
Bellary	Madavaram	421	A rise of 6 points.
South Arcot	Puliyur	305	A rise of 4 points.
	Agaram	316	A rise of 5 points.
Trichinopoly	Thulayanatham	396	A rise of 5 points.
Madura	Eriodu	331	A rise of 1 point.
	Gokilapuram	354	....
Coimbatore	Kinathukadavu	336	A fall of 17 points.
Malabar	Koduvalli	433	A rise of 12 points.
Chingleput	Guduvancheri	348	A rise of 8 points.
	Kannathur	348	A rise of 23 points.

Proposals for the Reorganization of Co-operative Movement

Deliberations of the Provincial Co-operative Conference

The Provincial Co-operative Conference convened by the Registrar of Co-operative Societies to evolve a plan of integrated development of the Co-operative movement in the Province was held on the 12th and 13th of September 1946, at the Madras Provincial Co-operative Bank, Esplanade, Madras. The Hon'ble Sri. K. Chandramouli inaugurated the Conference.

The following persons attended :—

(1) Hon'ble Mr. Daniel Thomas; (2) Sri P. L. Narasimha Raju, M.L.A., President, Co-operative Central Bank, Vizianagaram; (3) Sri N. Satyanarayana, President, Alamuru Rural Bank and Director, Ramachandrapuram Co-operative Central Bank, Alamuru; (4) Sri B. Venkataratnam, M.L.A., President, The Madras Provincial Co-operative Union and President, Ramachandrapuram Co-operative Central Bank, Ramachandrapuram; (5) Sri M. Viyyanna Pantulu, B.A., President, Co-operative Central Bank, Ellore; (6) Sri K. V. Ramaniah Naidu, B.A., B.L., President, Kistna Co-operative Central Bank, Masulipatam; (7) Sri K. Balaviraraghaviah, President, Viziavada Co-operative Central Bank, Bezwada; (8) Sri G. Simhachalam Pantulu, Narasaraopet; (9) Sri D. Srimannarayana Chowdri, B.A., B.L., President, Guntur District Co-operative Central Bank and Guntur Co-operative Central Stores, Guntur; (10) Sri R. Dasarathrama Reddy, B.A. (Hons.), LL.B., President, Nellore District Co-operative Central Bank, Nellore; (11) Sri Rao Bahadur G. Guruvappa Naidu, President, Co-operative Central Bank and Co-operative Central Stores, Chittoor; (12) Sri Rao Bahadur P. Narayana Reddi, B.A., B.L., President, Cuddapah District Wholesale Stores, Cuddapah; (13) Sri M. Malli Reddy, M.A., M.L., President, Anantapur Wholesale Stores, Anantapur; (14) Sri M. Somappa, Vice-President, Madras Handloom Weavers' Provincial Co-operative Society and President, Yemmiganur Weavers' Co-operative Society, Yemmiganur; (15) Sri N. Venkatasubbiah, M.L.A., Nandyal; (16) Sri C. N. Muthuranga Mudaliar, B.A., M.L.C., President, Sriperumbudur Producers' *cum* Consumers' Co-operative Society, Nazarathpet, via Poonamallee; (17) Sri K. Sitarama Reddy, B.A., B.L., President, South Arcot Co-operative Central Bank, Cuddalore; (18) Sri P. Rajagopal Naidu, B.Sc., B.L., President, North Arcot District Co-operative Central Stores, Vellore; (19) Sri K. A. Nachiappa Gownder, M.L.A., President, Salem District Co-operative Central Bank and District Co-operative Wholesale Stores, Salem; (20) Sri T. A. Ramalingam Chettiar, B.A., B.L., M.L.A. (Central), President, The Madras Provincial Co-operative Bank and President, Coimbatore, Nilgiris Co-operative Central Bank, Coimbatore; (21) Sri Diwan Bahadur C. S. Ratnasabapathi Mudaliar, C.I.E., President, Madras Central Land Mortgage Bank, Limited, Madras; (22) Sri O. A. Narayanaswami Ayyar, Vice-President, Tanjore Co-operative Central Bank, Tanjore; (23) Sri L. M. Paramasivam Pillai, President, District Co-operative Wholesale Stores, Trichinopoly; (24) Sri T. Narayana Pillai, B.A., B.L., Vice-President, The Madura District Co-operative Central Bank, Madura; (25) Sri P. S. Kumarasami Raja, M.L.A., Rajapalayam; (26) Sri J. L. P. Roche Victoria, M.L.C., President, The Tinnevelly District Co-operative Wholesale Stores, Tuticorin; (27) Sri M. Shiva Rao, President, The South Kanara Co-operative Central Bank, Mangalore; (28) Sri E. Vasudevan Nair, President, Producers' *cum* Consumers' Society, Quilandy; (29) Sri M. M. Kunhiraman Menon, B.A., B.L., President, Malabar District Co-operative Central Bank, Calicut; (30) Sri K. Venkataswami Naidu, M.L.A., President, The Madras Co-operative House Construction Society, Limited, Madras; (31) Sri S. K. Yegnanarayana Ayyar, M.A., 'Kumari', Teynampet, Madras; and (32) Sri V. Viyyanna Pantulu, B.A., B.L., President, South India Co-operative Insurance Society, N. S. Bose Road, Madras.

The following suggestions were agreed to by the Conference :—(1) The scheme already formulated by the Registrar for separation of Audit from Administration and placed before the Conference may be approved subject to the observation that the auditing of the bigger societies should be undertaken by the Regional Auditor contemplated in the scheme. The salient features of the Government scheme are given below :—

In order to improve the efficiency and quality of audit, it is proposed to separate audit from administration and to constitute the entire audit staff into a branch distinct from the administrative branch at all stages except in the person of the Registrar, who will be the head of both the branches. Such a separation was proposed by the Madras Committee on Co-operation in 1939–1940. It was also recommended by the Co-operative Planning Committee and was endorsed by the 7th All India Co-operative Conference and the 15th Registrar's Conference held at Madras in May 1947. The increase in the volume of transactions in co-operative societies and the growing complexity in the nature of their accounts, particularly non-credit societies, make it imperative that the quality of co-operative audit should be considerably improved. The separation of audit from administration will render audit more efficient and independent. It will also relieve the district officers of an important item of statutory duty and enable them to devote greater attention to the development of the movement than at present.

Details of the Proposal

The details of the proposal are explained below :—

One of the Joint Registrars styled as the '*Chief Auditor*' will be in charge of audit and will work under the control of the Registrar of Co-operative Societies. He will attend to the issue of audit certificates of provincial institutions and co-operative central banks, make arrangements for the timely completion of audit, review the progress of audit from time to time and generally control the work of the audit staff through Regional Co-operative Audit Officers. In addition to audit, he will also exercise statutory functions like arbitration, execution and liquidation and dispose of appeals relating to these.

There will be *four Regional Co-operative Audit* Officers of the grade of Deputy Registrars under the Chief Auditor. These will check and issue the audit certificates of all central institutions (other than the Provincial

Institutions and Central Banks) and the bigger non-credit societies. They will also test audit a percentage of these societies. In addition, they will control the work of the District Co-operative Audit Officers in their jurisdiction and be generally responsible for the efficiency and the timely completion of audit in their circles. They will be in charge of the appointment, postings, grant of leave, etc., of the audit staff under them. These Regional Co-operative Audit Officers will have a small office staff consisting of 2 Senior Inspectors, 2 Junior Inspectors, 1 Lower Division Clerk, 1 Typist, 1 attender and 3 peons to assist them.

In each district (including the Kumbakonam and Chicacole circles) a Co-operative Sub-Registrar styled as the *District Co-operative Audit Officer* will be in charge of audit. He will check and issue audit certificates of all rural credit societies and the smaller urban banks and non-credit societies and also test audit a percentage of them. He will regulate and control the work of the audit staff of Senior Inspectors and Junior Inspectors in the district. He should also test audit accounts relating to departmental revenues in the district and submit his report to the Registrar through the Regional Co-operative Audit Officer. He will have a separate office. He can take from the existing staff of the Deputy Registrar's office one Junior Inspector, clerk now in charge of audit section and will have in addition a Senior Inspector, a Junior Inspector, a typist, a Lower Division Clerk and 3 peons. Heavier circles will be given an additional Junior Inspector to cope with the work.

Under the above proposals, the audit staff is constituted into a water-tight compartment and will be free from the administrative control of the District Officer at all stages. This will make for greater independence and efficiency. The staff working in the audit branch and the administrative branch should be made interchangeable; otherwise departmental efficiency will go down and varying prospects of promotion in the different branches may lead to discontent. But to prevent dislocation in work, this interchange will be provided at the stage of promotion from Junior Inspectors to Senior Inspectors, and from Senior Inspectors to Co-operative Sub-Registrars grades. Interchangeability at the Co-operative Sub-Registrars' and the Deputy Registrars' grades need not be restricted. No distinction will be made in regard to promotion between the staff in the audit and the administrative branch and both should be treated alike.

2. The proposal for the formation of rural banks as an experimental measure may be dropped.

3. Wherever a rural Co-operative Credit Society proposes to discharge additional functions other than credit as provided in its by-laws and employs a qualified paid manager, the Government should bear half the cost of maintaining such a manager. The provision for the payment of honorarium under by-laws 30 and 50 of Co-operative Credit Societies to the Secretaries of such institutions may be deleted.

The supervisory staff employed by the Central Banks in every district should be strengthened so as to provide at least one supervisor for every fifteen societies, and two supervisors should be kept as leave reserve. The total cost of supervision arising from the implementation of this resolution will have to be met by the Govenment in full for the first five years.

The distribution of controlled articles like manure and agriculturists' requirements like cart-tyres, iron and steel, etc., should be transferred from the Agricultural Department to the Co-operative Department and the allotment should be regulated by the Co-operative Department. Messrs. Ramalinga Chettiar, B. Venkataratnam and K. V. Ramanaiah Naidu are authorized to wait on deputation on the concerned Ministers for this purpose.

4. For an intensive organization of cottage industries including weavers' societies, there should be an additional Joint Registrar assisted by field staff to study localities, organize societies, and arrange for their working. A Provincial Council to lay down the policy and guide the work is necessary. All the expert staff working in the Industries and in the Development Departments should be brought under this scheme. Women Officers should be appointed to organize cottage industries societies for women. Local Advisory Committees may be formed in districts to assist these officers.

5. The exemption from audit fees enjoyed by the agricultural credit societies should be continued in the future also. Those societies which can afford may continue to have their own auditors in the future also. As regards the other societies, the existing concessions regarding the payment of audit fees to certain types of societies should continue subject to the condition that the societies which can afford to pay audit fees after declaring 3 per cent dividend should be charged at the present scales for audit done by the Government.

6. The Government should continue to guarantee the debentures issued by the Central Land Mortgage Bank, and the question of withdrawing this guarantee should be dropped. These debentures should be treated on a par with Government securities in regard to floatation and grant of loans.

The question of the recovery of the cost of the 3 Deputy Registrars and their staff from the Land Mortgage Bank should be re-considered by the Government and no such recovery should be made from the Bank. The question of the recovery of the cost of Co-operative Sub-Registrars lent to Land Mortgage Banks may be taken up in 1950.

7. The Co-operative Milk Supply Societies and Unions should be completely exempt from Sales Tax for the following two reasons :—

(*a*) The other milk suppliers are not taxed.

(*b*) The levy of Sales Tax will retard the growth of those societies and unions which deserve to be encouraged by all means.

8. Lorries owned by Co-operative Societies should be given public carrier permits in order to enable them to undertake private work when they do not have any work to do.

9. The proposals of the Registrar of Co-operative Societies for efficient marketing of agricultural produce on a co-operative basis deserve to be given a trial. These proposals envisage construction of godowns, etc., and involve per year an expenditure of 10 lakhs of rupees by the Government, out of which 50 per cent will be given to Co-operative Societies as grant and 50 per cent as loan.

10. The proposals of the Registrar of Co-operative Societies for the development of cattle breeding and milk supply in the province through a scheme, to be tried first in Madras and later on extended to the other suitable areas in the province, should be given effect to.

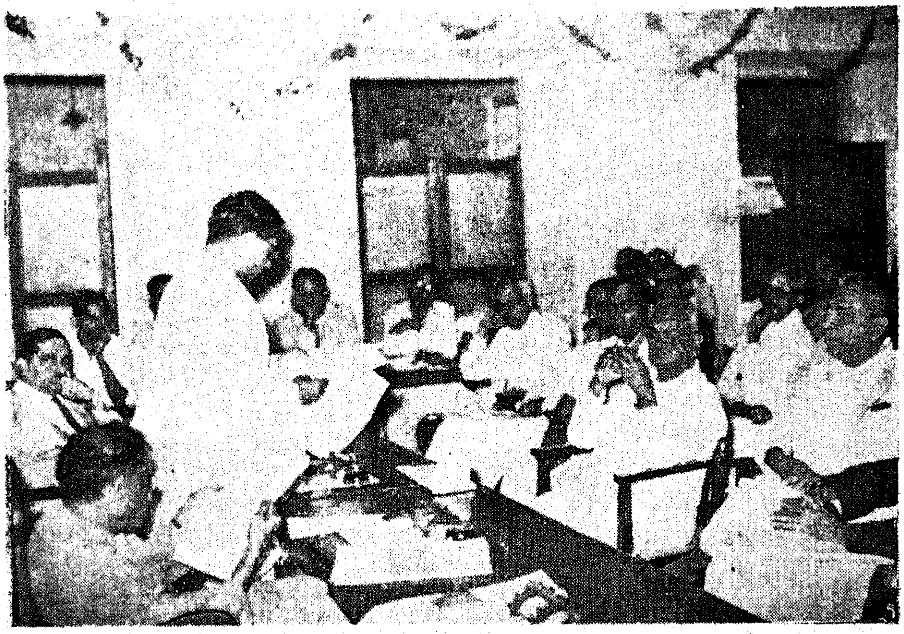
11. While there is need for the formation of a Provincial Wholesale Society at Madras, in view of the various control orders and the scarcity of consumer goods, the registration of such a wholesale society may be deferred.

12. As an experimental measure a suitable scheme for co-operative farming may be tried in one or two centres in the Province.

Mr. Chandramouli on Co-operative Commonwealth

Inaugural address at the Provincial Co-operative Conference

"I am very happy to welcome you to this Conference. It is a Business Conference intended to decide on the ways and means of expanding and developing the Co-operative Movement in this Province. Therefore, it was considered necessary to make it as small as possible restricting invitations in such a manner as to give representation to each district, and to the important Provincial Co-operative Institutions. I hope that many more who could have been invited will not take it amiss, if it has not been possible to include them as well in this Conference. A great deal of co-operative thought was released only recently at Madras at the 7th All-India Co-operative Conference and the 15th Co-operative Registrars' Conference, and what is needed now is to give a concrete shape to some of the important decisions reached at these conferences, and to get a move on towards the development of the Co-operative Movement in this Province.



The Hon'ble Sri K. Chandramouli delivering the inaugural address at the Provincial Co-operative Conference

It has been the ideal of many people, Co-operators and non-co-operators, Congressmen and non-Congressmen, that the economic life of this great country should be built on new foundations, preferably on the basis of co-operation. The ideal of a Co-operative Commonwealth has been mooted in many quarters, and has received support from all those who have the well-being of the masses at heart. It is a great ideal, which as practical men, we should admit cannot be attained in a day. But with the political independence which we acquired last month, progress towards this ideal can be quick and we shall be failing in our duty if we do not accelerate its pace and promote economic independence in the wake of political Independence.

Largest good of the largest number

In a land of villages like India, economic independence has to be founded in the villages. Therefore it is that the agenda for this Conference is almost entirely framed with reference to the needs of the villages. There has been some controversy of late as to whether the co-operative unit in a village should be a Rural Credit Society operating in the village or whether it should be a Rural Co-operative Bank operating over many villages. It will be your function to advise which of the two organizations would be more suited for the promotion of the well being of the largest number of the rural population; for, what is needed is not large institutions benefiting a few people but institutions benefiting many people.

On the non-credit side the co-operative unit dealing with villages is expected to engage in the supply of agricultural requisites like seeds, manures and implements and the sale of agricultural produce like food and commercial crops. It is also expected to help in the distribution of articles of consumption such as sugar, kerosene, matches, etc. It is generally agreed that all these functions should be discharged by the co-operative unit operating in the village although much dust has been raised over the question by the employment of the over-worked name "Multipurpose Co-operative Society." The Madras system of making the Rural Co-operative Unit fit into the Mandy unit of the sale society or the wholesale unit of the co-operative store has found favour with the recent Conference of Registrars of Co-operative Societies and it will be the business of this Conference to concert measures for extending and improving the system expeditiously.

Cottage Industries

Cottage Industries provide occupation for a section of the population which is smaller in numbers only to the agricultural population of the country. They, therefore, deserve your next attention. One of the ways in which they could be promoted was indicated by the All-India Co-operative Planning Committee and by the Registrars' Conference as promotional agencies for suitable regions. In pursuance of this suggestion you are being asked to consider whether District organizations and a provincial organization may not be set up for the purpose. Industries which have a survival value have alone been selected for attention in the initial stages and it will be the function of the organizations proposed to investigate into the prospects of each in their respective districts and to organize them into co-operative units wherever possible.

Both agriculturists and people engaged in cottage industries require a

part-time occupation in which they can employ themselves profitably. Milk supply is one such profitable part-time occupation and various schemes in this behalf are already under the consideration of Government. Your views on these schemes will be helpful to Government.

For urban areas Housing Schemes and Co-operative Stores are widely acknowledged as being of permanent utility. Some problems connected with these are therefore placed before you for your advice.

A people's movement

Taking an overall view of the volume of work that lies ahead of us on the road towards a co-operative commonwealth, three important considerations arise. The first is the organization of the Co-operative department in such a manner as to equip it to cope successfully with the programme of expansion. There is no doubt that the co-operative movement is first and last a people's movement. Yet it will be admitted that when the State endeavours to push forward the progress of this popular movement the machinery which can do it should itself be strengthened, not to rule and direct but to help and foster. The department has grown considerably in recent years. It is now time that we consolidate its present strength, add to it wherever necessary and reconstitute it on a scientific basis separating for instance, audit from administration, producers' societies from consumers' societies, etc.

The second over-all consideration relates to co-operative education; knowledge, they say, is power; and co-operative knowledge is co-operative power. Therefore, if co-operation is to develop on healthy and strong lines, workers in the field, both paid and honorary men should be energized by a wealth of co-operative instruction and propaganda. Suggestions in this direction from the Conference will be welcomed.

The third over-all consideration is the question of finance. Some of the items in the Agenda seek to involve Government on pretty large expenditure. I consider that where it is proved that the expenditure proposed is for the welfare of the masses, a popular Government should do its best to find money for the purpose. At the same time it cannot be forgotten that the co-operative movement is one, founded on the principle of self-help and mutual help, and I hope that you will also help with your own funds wherever possible and to the extent feasible. With these few words, Gentlemen, I declare this Conference open."

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Food Situation in the Province

Report for the Second Fortnight of August 1947

Weather conditions and crop prospects.—The rainfall during the fortnight was moderate to heavy in the Circars, on the West Coast and in the Kurnool district, and light to moderate in the other districts. In Kistna district, the rains were particularly heavy as a result of which there were temporary dislocations in communications and lands to an extent of about 25,000 acres were submerged. The extent of damage was not yet been assessed.

The level of water in the Mettur lake was 107·1 feet on 30th August 1947 as against 122·35 feet on 31st August 1946.

The condition of the standing crops was generally fair except in parts of East Godavari, Bellary, Madura and South Kanara districts.

Harvest of paddy was proceeding in parts of Madura and Ramnad districts and of dry crops in the districts of Coimbatore, Trichinopoly and Ramnad. The out turn was generally fair.

Market conditions and trend of prices.—There were no marked changes in the prices of principal foodstuffs. The position regarding the prices of oils, oilseeds, etc., was as follows :—

No change.—Gingelly oil cake and groundnut oil cake.

Rise.—Gingelly seed (0·3 per cent), gingelly oil (7·3 per cent) and cotton seed (0·5 per cent).

Fall.—Groundnut shelled (1·3 per cent), crop (0·3 per cent), cocoanut oil (2·6 per cent) and groundnut oil (0·2 per cent).

Procurement.—The following statements show the quantities of paddy, rice and millets locally procured in the Province and the quantities of cereals and pulses imported from sources abroad :—

(*a*) *Local procurement during the fortnight ending* 15*th August* 1947—

	TONS.	
Paddy ..	50,289	Together equivalent to 60,690 tons in terms of rice.
Rice ..	25,108	
Millets ..	4,497	

(*b*) *Receipts from other Provinces and States during the fortnight ending* 31*st August* 1937—

	TONS.	
Rice ..	5,111	
Millets ..	94	(79 tons of ragi and 15 tons of maize from Orissa).
Wheat ..	1,000	(From Sind).
Wheat products.	Nil.	
Pulses—		
Black-gram.	223	
Redgram.	79	
Greengram.	..	
Bengalgram.	856	
Total ..	1,158	

(*c*) *Imports from Overseas during the fortnight ending* 31*st August* 1947—

	TONS.	
Rice ..	..	
Millets ..	224	(From Australia).
Wheat and products.	..	

Stock and supply position of principal foodgrains—Rice.—Procurement during the two weeks ending 28th August 1947 dropped to 27,205 tons from 59,102 tons in the previous two weeks. As a result, the total stock in the Province on 28th August 1947 reached the very low figure of 153,378 tons which shows a steep decline compared with 180,116 tons on 14th August 1947 and is less than the stock at the end of August 1946 by about 134,000 tons. A new provincewide procurement drive has been launched recently. There are indications that with a greater appreciation of the gravity of the food position the producers in the surplus districts will offer their surpluses to the Government more freely. The stock position in the deficit districts continues to be unsatisfactory. The stocks in Malabar are still at a low level. The situation in South Kanara became extremely critical, the district having only about three days stock towards the close of the fortnight and supplies were rushed from Madras, North Arcot and Tanjore.

Millets.—The stock of millets in the Province fell from 27,599 tons on 14th August 1947 to 23,653 tons on 28th August 1947. Shortage has been reported from the districts of North Arcot, Trichinopoly and the Nilgiris. Acute scarcity has been reported from Guntur district. Supplies to Guntur as also to the other needy districts are being arranged. The allotment of 1,000 tons of Milo from Coimbatore to Malabar district, which was ordered some time ago, has since been reduced to 500 tons with a view to safeguard the stock position in the former district. Difficulty is also being felt in arranging for the supply of millets to railways and to rice-eaters against the non-rice portion of their ration. The present stock, including the expected procurement of 18,750 tons in the last three days of August and in September and October 1947 and the expected total imports of 1,300 tons up to the end of October 1947, is expected to last till about the end of the first week of November next.

Maize.—The stock has dropped from 974 tons on 14th August 1947 to 749 tons on 28th August 1947.

Barley.—The stock has fallen from 285 tons on 14th August 1947 to 218 tons on 28th August 1947.

Wheat.—The closing stock on 28th August 1947 was 951 tons as against 1,122 tons on 14th August 1947. With the addition of 1,000 tons of Sind wheat which arrived on 29th August 1947, the stock at the end of the fortnight may be taken as 1,951 tons. With reference to the offtake of 1,008 tons in July the stock may be expected to last for about two months.

Maida.—The stock of Maida on 28th August 1947 was 272 tons as against 379 tons on 14th August 1947. This stock will last about a month. There was practically no stock in many districts and no transfer of stocks was found possible.

Pulses.—The stock position of redgram, blackgram and bengalgram is poor in almost all the districts and unless imports are received from other areas within the next one or two months there is likely to be scarcity for pulses and grams in the Province.

Rationing.—The Government have permitted the serving of groundnuts, boiled grams, fruits and drinks to more than 30 children on occasions of 'Play Days' and 'Play Festivals' organized in elementary schools under local bodies.

Subsidiary foodstuffs—Milk.—In view of the deterioration in the food

(*Continued on page* 29)

Working of Cloth and Yarn Control Order

Report for the month of July 1947

1. *Cotton yarn.*—The Madras Government have agreed to the proposal of the Central Government that our Province should receive a share of 26·05 per cent of the All-India availability of yarn for its internal consumption. With reference to the deliveries between November 1945 and April 1947, the arrears due to Madras Province amount to 42,391 bales and the Central Government have been requested to make good the deficit. If this quantity is delivered to this Province within a period not exceeding six months, it will in some measure, give relief to our weavers. The Madras Government have also reminded the Central Government to send an immediate reply to this proposal.

2. *Handloom cloth.*—The promulgation of the Madras Handloom Cloth (Control) Order, 1947. brought down the general level of prices of handloom cloth to a certain extent. But owing to the delay in the notification of the maximum weaving wages and as the 1946 Control Order (which allows a margin of 15 per cent of the cost of production to the producers and 14 per cent of the producer's price to the dealers) continues to be in force, there is a tendency for the prices of handloom cloth to go up once again.

3. With reference to the decision of the Madras Government to take 26·05 per cent of the quota, the arrears due to our Province under yarn, up to the end of June 1947 is as follows:—

Quota for the month (26·35% of 81209 plus 269).	Arrears up to the end of April.	Arrears for May.	Arrears up to the beginning of the month [column (2) plus column (3).]	Quota received in June	Arrears at the end of the month June.
(1)	(2)	(3)	(4)	(5)	(6)
21,424	42,391	2,270	44,661	19,466	46,619

4. *Mill cloth.*—The following is an account of the progress in the procurement of mill cloth from the Bombay surplus area for the month of July 1947:—

October 1946 *quota.*—Out of a quota of 4,531 bales at Bombay only 1¾ bales had to be purchased by our buyers.

November 1946 *quota.*—Out of a quota of 4,780 bales at Bombay 3 bales had to be purchased by our buyers.

December 1946 *quota.*—No allocation.

January 1947 *quota.*—The entire quota of 3,675 bales at Bombay and 2,557 bales at Ahmedabad has been purchased.

February 1947 *quota.*—Out of a quota of 4,148 bales at Bombay 14 bales had to be released by the textile and 17 bales were awaiting transport. 24½ bales out of a quota of 1,208 bales transferred to Bombay from Ahmedabad had to be released by the Textile Commissioner.

March 1947 *quota.*—Six bales out of a quota of 2,122 bales at Bombay had to be released by the Textile Commissioner and 35 bales are awaiting transport.

March 1947 *special quota.*—278¾ bales out of a quota of 5,046 bales at Bombay had to be released by the Textile Commissioner.

April 1947 *quota.*—95¾ bales out of a quota of 7,505 bales at Bombay had to be released and 396¾ bales were awaiting transport at Ahmedabad. The entire quota of 2,436 bales had been purchased and only 2 bales were awaiting transport.

May 1947 *quota.*—154½ bales out of a quota of 2,564 bales at Bombay had to be released by the Textile Commissioner and 827½ bales were awaiting despatch. At Ahmedabad the entire quota of 3,382 bales had been purchased and 29 bales were awaiting transport.

June 1947 *quota.*—972½ bales out of a quota of 3,358 bales at Bombay had still to be released by the Textile Commissioner. 2,020½ bales were awaiting transport. At Ahmedabad the entire quota of 4,577 bales had been purchased and 1,400 bales were awaiting transport. At Baroda the entire quota of 500 bales had been purchased and moved into this Province.

July 1947 *quota.*—The entire 4,949 bales at Ahmedabad and 305¾ bales at Baroda had to be released by the Textile Commissioner. The entire quota of 250 bales at Sholapur has been purchased and the bales were awaiting transport.

5. A total of 8,502½ bales was received from the Bombay Surplus Area and distributed in the Province during the month of July 1947 as shown below:—

	BALES.
Week ending 5th July 1947 ..	1,426¼
Week ending 12th July 1947.	2,038¼
Week ending 19th July 1947.	2,620½
Week ending 26th July 1947.	2,517½
	8,502½

6. Also about 4,731 bales of South Indian mill production have been distributed in the Province during the period under review.

7. The statement below gives the particulars of allotments and supplies of cloth:—

Material.	Month.	Quota for the month.	Arrears at the beginning of the month.	Quota received.			Arrears at the end of the month.
				Out of the quota for the month.	Out of the arrears.	Total.	
Cloth ..	July 1947.	9,819½ bales.	8,719½ bales.	250	8,252½	8,502½	10,036¼ bales. (of 1,500 yards each.)

8. *Mills.*—The Ramachandra Spinning and Weaving Mills, Pandalapaka have not been working from 1st July 1947. The Sarada Mills, Coimbatore, were also closed by the management in the middle of the month between the 9th and 18th August 1947.

9. *Enforcement.*—In the case against Konda Krishnayyar, etc., who has been charged with the offence of forging of handloom cloth export permits, the accused were committed to Sessions under section 467 read with 471 by the Second Presidency Magistrate. The question of appealing against the acquittal in the Lotus Mills case is under consideration.

10. *Rationing and distribution of mill cloth.*—The reports received from Collectors show that the Rationing Scheme is working fairly satisfactorily.

(*Continued on page* 29)

Activities of the Veterinary Department During 1945-46

The Administrative Report of the Veterinary Department for the year 1945–46 reveals a period of useful work. The total number of veterinary institutions in the province is 136 excluding the two veterinary institutions which are under private management. New veterinary institutions were opened in six places during the year. The private veterinary dispensary in Dharmathupatti in Madura district, which used to be maintained by the Zamindar of Kannivadi, was taken over by the Government during the year. The total number of in and out-patients treated during the year showed an increase over that of the previous year. The number of cases treated and castrations performed by the staff during the year was 194,272 as against 202,707 in the previous year. No new touring billet was opened during the year for want of veterinary graduates and the total number of posts at the end of the year was 165.

The strength of the cadre of Veterinary Assistant Surgeons on 31st March 1946 was 396 including 38 temporary posts as against 380 in March 1945. There were 4 posts of Research Officers on specific branches of research. The livestock section consisted of the Livestock Development Officer with Superintendents in charge of the livestock research stations at Hosur and Guntur respectively under him, the Poultry Development Officer, Madras and the Superintendent for Kangayam Cattle Improvements Scheme at Palayakottai. A special gazetted officer to draw up a detailed scheme to revive the maintenance of dairies wherever possible in jails and special sub-jails in the Province was sanctioned for a period of 6 months from 5th December 1945. A Cattle Procurement Officer with headquarters at Bangalore was sanctioned to do liaison work by collecting information and helping the ryots of the province in the purchase of work-bullocks and he-buffaloes from the Mysore State according to a fixed quota.

1. *Livestock section.*—The activities of the Livestock Section constituted an integral part of the work of the Department during the year. The Provincial Livestock Improvement Board constituted in 1940 to advise the Government on the improvement of livestock in the province and to make suggestions for the revision of schemes of policy in force held two meetings during the year. Various proposals submitted by the Department were considered and the following were the chief recommendations made by the Board:—

(1) Increase in the amount of premium granted to breeding bulls under the premium scheme.

(2) The award of prizes to calves born to breeding bulls in the district board schemes, etc.

(3) Opening of poultry breeding centres at agricultural research stations.

(4) Ways and means of developing the Ongole breed of cattle, fixation of target figures for the number of cattle of important breeds, the annual production of which should be stipulated and the facilities to be offered to the breeders and cultivators for such production.

(5) Scheme for the opening of a Cattle Farm in Bellary District.

(6) Scheme for starting two poultry production centres in the City of Madras.

(7) Scheme for organizing two Motorised Mobile Units to combat the spread of contagious diseases among cattle.

Steps have been taken to implement these recommendations and some of the schemes have already come into operation. The Livestock Research Station at Hosur functioned satisfactorily during the year. There were 1,048 head of cattle at the beginning of the year including 58 work-cattle. Of those some were sold, a few were transferred to other stations, a few died and the total figure at the end of the year was 1,004. In addition, 373 cows, Murrah she-buffaloes and calves belonging to the Military Milk Supply Scheme were maintained at the farm at the end of the year.

2. (*a*) *Livestock Improvement Measures.*—Under the Government Livestock Bulls and Rams Distribution Scheme a sum of Rs. 20,000 was available for the purchase of breeding bulls and rams for distribution to cattle-breeders, out of which Rs. 13,938 was spent on the purchase of special breeds of bulls. The Government also sanctioned a subsidy of Rs. 35 to each of the owners of calves, who rear well to the age of 9 months. The scheme was inaugurated in April 1945, and a total sum of Rs. 18,340 was paid to the owners of calves.

(*b*) *Breeding Bulls.*—There were 38 stud-bulls in the Veterinary Hospitals in the Presidency including 7 bulls at the Madras Veterinary College. The number of donated bulls at the end of the year was 12. In addition, the District Boards of Coimbatore, Tanjore and Bellary maintained 67, 13, 4 bulls respectively. The Coimbatore District Board continued to evince keen interest in livestock improvement work and the progress attained has been very satisfactory.

3. *Dairying.*—Improvement of dairying also received considerable attention during the year. The Government Dairy Farms at Hosur, Guntur and Kodaikanal showed a good record during the year. The Government also considered the question of dairy herds being maintained wherever possible in the jails and special sub-jails in the province and this was examined by a Special Officer. It was considered necessary that the existing dairies in Rajahmundry, Vellore, Salem, Coimbatore and Trichinopoly might be improved to start with and extension of the scheme to other jails taken up later. There are private milk dairies also throughout the province, roughly ten in number. In addition to these dairies Co-operative Milk Unions are working in most of the district headquarters and the major municipalities in the presidency.

4. *Disease Position.*—The position with regard to livestock diseases was more satisfactory this year than in the previous year, the total number of outbreaks being 5,490 as against 6,958 in the previous year. Rinderpest prevailed in all the districts. The disease was severe in Nellore, Tanjore, Chittoor and Cuddapah, moderately severe in South Arcot, Trichinopoly, North Arcot, Chingleput and Kistna districts and mild in other districts. Haemorrhagic septicaemia appeared in all the districts. The districts of Vizagapatam, Tanjore, Malabar, Nellore and East Godavari recorded the largest number of outbreaks. Black-quarter prevailed in all the districts except South Kanara and the City of Madras. Anthrax was reported from all the

districts except Trichinopoly, Anantapur and Tinnevelly. Foot-and-mouth disease was reported from all over the Presidency. The districts of Nellore and Anantapur were the worst affected.

5. *Miscellaneous.*—The scheme for the salvage of dry cows in the Madras City was also continued during the year.

Poultry development also received attention. The Poultry Development Officer among other things attended poultry exhibitions and demonstrations in 4 places and gave technical advice to co-operative societies in not less than 6 places regarding the efficient and proper methods of marketing eggs.

6. *Publicity and Propaganda.*—Publicity was not lost sight of by the department during the year. Leaflets on livestock diseases and other animal husbandry matters were freely distributed and these were supplemented by radio talks.

Under the auspices of the All-India Cattle Show Committee, the Ongole Cattle Show at Ongole, the Annual Cattle and Pony Show at Tiruppur and the Annamalai Cattle Show at Valparai were held during the year. In addition to these, annual cattle shows were held in Kurnool and Guntur districts. sixty one-day cattle shows were sanctioned by the Government for the year, out of which 58 one-day cattle shows were held and a Government grant of Rs. 150 was made to each of the shows.

7. *Veterinary Education.*—The education side of the Veterinary Department also made good strides during the year. The number of seats in the Veterinary College was increased from 60 to 80. The award of stipends to students of the Stockmen Compounders' course was maintained.

8. *Post-war Schemes.*—The report also gives a few glimpses into the post-war development schemes of the department. These schemes fall under four heads, viz., education, livestock improvement, better facilities for treatment and control of disease and administration. Under education, here is a proposal to enlarge the accommodation and equipment in the Veterinary College in order to provide facilities for training more Veterinary Surgeons and Stockmen Compounders. As regards livestock improvement, opening of one livestock farm in each district at the rate of two a year is contemplated. Proposals are also under consideration to appoint a Sheep and Goat Development Officer and a Dairy Development Officer. The staff in the Veterinary College is also proposed to be strengthened in order that more efficient training is given to the students, especially regarding livestock. As regards the provision of better facilities for treatment and control of diseases, the number of Touring Village Assistant Surgeons is proposed to be increased from 165 to 220. A Stockmen Compounder will be attached to each touring billet. The number of veterinary institutions in the Province is proposed to be increased in order to have one veterinary institution for each taluk. Permanent habitations for veterinary institutions are also contemplated. The post of an Assistant Disease Investigation Officer is also proposed to be created for sheep and goats. The appointment of two Deputy Directors under the Director of Veterinary Services is also envisaged.

(*Continued from page* 26)

situation in the Province, the Government have sanctioned the revival of the scheme of free distribution of reconstituted milk to Elementary School children for four months from the date of revival in the districts of Vizagapatam, Anantapur, Bellary, Coimbatore, Salem, Tinnevelly, Ramnad, Malabar and Madras City. Free distribution of the milk to expectant and nursing mothers in the City through the Corporation Child Welfare Centres has also been sanctioned.

Jaggery.—The Gur Controller of India has accepted the offer of the Madras Government to permit the export of an additional quantity of 5,000 tons of jaggery to areas outside the Province during the current year. The following allotments have been made accordingly :—

	TONS
Orissa ..	2,300 from East Godavari.
Hyderabad.	1,000 from Bellary.
Do.	800 from Chittoor.
Coorg ..	200 Do.
Orissa ..	700 Do.

Miscellaneous commodities.—Shortage of firewood was felt in parts of Guntur, Kistna, Ramnad and Coimbatore districts.

Government have sanctioned a sum of Rs. 2,000 for the relief of distress caused by the floods in Kasaragod taluk, South Kanara district, on 16th August 1947.

Reservoir in Kistna District

References have recently been made in the Press to the schemes for a reservoir on the Budameru river in Kistna district. The following statement with reference to those schemes is issued to the Press :—

In connection with the recent floods in the Kistna, proposals for a reservoir on the Budameru are under examination. A reservoir for 6,000 m.c.ft. costing over Rs. 2 crores in 1945 (present cost likely to be about Rs. 2·5 crores) was examined by the Government and a smaller scheme was asked to be investigated. A scheme for 2,000 m.c.ft. costing about Rs. 55 lakhs has been prepared and is under scrutiny. The cost of the scheme relative to the area benefited is very high in both cases and nearly two-fifths of the cost is for the acquisition of valuable lands in the bed of the reservoir. A third but small scheme is under examination and it is expected that the approximate plans and estimates for this scheme will be ready in a very short time. All the three schemes will be submitted to Government shortly for a final decision in the matter.

Proposals for improving the existing arrangements in the Ellore canal to pass the floods of the Budameru across the canal are also under active consideration.

A scheme for widening the Upputeru is under examination, and will be forwarded to Government shortly.

During the recent visit of the Chief Engineer for Irrigation to Bezwada, all the above proposals were discussed with the local officers.

(*Continued from page* 27)

Reports from Collectors regarding the effect of the concessions allowed to smoothen the working of the scheme, referred to in last month's review are due in September 1947. The Collector of Kistna mentions that the scheme of quarterly lapses of the ration not drawn has created a stir among the consumers and that there is a rush on shops for the purchase of cloth.

Schemes for the overhauling of licences have been approved by the Government in respect of all districts and Collectors are taking steps to implement them.

Some Statistical Information

I. Statement showing the Imports and Exports of principal commodities by sea into and from Madras Province during May 1947.

Commodities.		Imports.			Exports.		
		Foreign.	Coastwise.	Total.	Foreign.	Coastwise.	Total.
1 Paddy	Tons.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
2 Rice	,,	29,034	2,853	31,887	Nil.	Nil.	Nil.
3 Wheat	,,	200	Nil.	200	Nil.	Nil.	Nil.
4 Wheat flour	,,	35	Nil.	35	Nil.	Nil.	Nil.
5 Grams	,,	848	1,398	2,246	Nil.	Nil.	Nil.
6 Jowar and Bajra	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
7 Caster seed	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
8 Cotton seed	,,	Nil.	20	20	Nil.	Nil.	Nil.
9 Groundnut seed	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
10 Lin seed	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
11 Rape and mustard	,,	Nil.	741	741	Nil.	Nil.	Nil.
12 Til or gingelly	,,	Nil.	309	309	75	Nil.	75
13 Oil cakes	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
14 Coconut oil	Gal.	15	Nil.	15	Nil.	Nil.	Nil.
15 Groundnut oil	,,	Nil.	Nil.	Nil.	347,785	149,157	496,942
16 Ghee	Cwt.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
17 Salt	Tons.	1 Cwt.	1,496	1,496	8 Cwt.	Nil.	8 Cwt.
18 Sugar	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
19 Gur, rab and molassus	,,	Nil.	Nil.	Nil.	Nil.	13	13
20 Coffee	Cwt.	Nil.	244	244	7,208	1,057	8,265
21 Tea	Lb.	Nil.	91,357	91,357	4,789,492	103,083	4,892,575
22 Tobacco, raw	,,	849,598	104,416	954,014	1,355,833	3,099	1,358,932
23 Hemp, raw	Tons.	Nil.	Nil.	Nil.	823	Nil.	823
24 Hides, raw	,,	22	7 Cwt.	22	Nil.	7 Cwt.	7 Cwt.
25 Skins, raw	,,	48	15-2 Cwt.	63-2	165	Nil.	165
26 Hides and skins tanned or dressed	,,	2-7 Cwt.	Nil.	2-7	2,096	12	2,108
27 Cotton, raw	,,	204	1,532	1,736	179	35	214
28 Cotton twist and yarn	Lb.	4,267	11,200	15,467	Nil.	38,800	38,800
29 Cotton piecegoods	Yds.	71,702	2,684,410	2,756,112	4,103,618	1,782,750	5,886,368

II. Statement showing the Imports and Exports of principal commodities by sea into and from Madras Province during June 1947.

Commodities.		Imports.			Exports.		
		Foreign.	Coastwise.	Total.	Foreign.	Coastwise.	Total.
1. Paddy	Tons.	475	Nil.	475	Nil.	Nil.	Nil.
2. Rice	,,	29,767	1,187	30,954	Nil.	Nil.	Nil.
3. Wheat	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
4. Wheat flour	,,	9	Nil.	9	Nil.	Nil.	Nil.
5. Grams	,,	161	10	171	Nil.	Nil.	Nil.
6. Jowar and Bajra	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
7. Castor seed	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
8. Cotton seed	,,	Nil.	28	28	Nil.	Nil.	Nil.
9. Groundnut seed	,,	Nil.	4	4	Nil.	101	101
10. Linseed	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
11. Rape and mustard	,,	Nil.	1,108	1,108	Nil.	Nil.	Nil.
12. Til or gingelly	,,	Nil.	121	121	Nil.	Nil.	Nil.
13. Oil cakes	,,	Nil.	1,890	1,890	Nil.	107	107
14. Coconut oil	Gal.	Nil.	351	351	Nil.	3,614	3,614
15. Ghee	Cwt.	Nil.	Nil.	Nil.	Nil.	3	3
16. Salt	Tons.	39	1,816	1,855	Nil.	Nil.	Nil.
17. Groundnut oil	Gal.	Nil.	Nil.	Nil.	565,497	257,623	823,118
18. Sugar	Tons.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
19. Gur, rab and molasses	,,	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
20. Coffee	Cwt.	Nil.	907	907	6,112	414	6,526
21. Tea	Lb.	873	1,576	2,449	4,319,437	44,752	4,364,189
22. Tobacco, raw	,,	522,508	49,034	571,542	1,572,672	1,047	1,573,719
23. Hemp, raw	Tons.	Nil.	Nil.	Nil.	500	Nil.	500

II. *Statement showing the Imports and Exports of principal commodities by sea into and from Madras Province during June 1947*—cont.

Commodities.		Imports. Foreign.	Imports. Coastwise.	Imports. Total.	Exports. Foreign.	Exports. Coastwise.	Exports. Total.
			T. CWTS.				
24. Hides, raw	Tons.	7	8 7	15—7	Nil.	Nil.	Nil.
25. Skins, raw	„	7	12	19	147	Nil.	147
26. Hides and skins, tanned or dressed.	„	Nil.	Nil.	Nil.	1,893	65	1,958
27. Cotton, raw	„	821	5,201	6,022	268	Nil.	268
28. Cotton twist and yarn ..	Lb.	2,865	Nil.	2,865	Nil.	18,000	18,000
29. Cotton piecegoods ..	Yds.	88,705	795,439	884,194	1,649,659	1,515,683	3,165,342

Railway Earnings

I. South Indian Railway

Additional trains and extension to existing trains to the extent of 546 miles per day were introduced during August 1947. The train miles run in August 1947 as compared with August 1946 are as follows :—

Public train miles.	*August* 1946.	*August* 1947.
Coaching ..	552,696	870,038
Goods	221,788	284,681
Total ..	774,484	1,154,719

The increase over August 1946 is due to the introduction of additional trains and also due to the restricted passenger service during the strike period of August 1946.

Details of traffic both coaching and goods carried during the month of August 1947 as compared with the previous month and the corresponding month of last year are given below :—

	August 1946.	*August* 1947.	*July* 1947.
Coaching traffic.			
Number of passengers ..	8,141,044	12,356,401	13,126,769
Earnings in rupees ..	49,53,674	71,76,753	72,79,348
Goods traffic.			
Weight in tons ..	446,603	497,550	500,875
Earnings in rupees ..	41,46,846	46,00,793	48,90,035

The earnings under both coaching and goods traffic during August 1946 were low as there was very restricted train service du^ to strike during the last week of the month with consequent reduction in the previous week. Compared to the traffic during the previous month, i.e., July 1947, passenger traffic during this month shows a decrease. This is due to the fact that the marriage season continued till about the end of last month. Decrease in goods earnings is due to the less movement of grains and pulses, oil-seeds, cotton and other goods.

II. M. & S.M. Railway

The approximate Earnings are as under :—

	June 1946.	*June* 1947.	*July* 1946.	*July* 1947.
	RS.	RS.	RS.	RS.
Coaching Traffic ..	82,94,000	81,24,000	84,55,000	91,00,000
Goods Traffic ..	74,14,000	64,89,000	77,65,000	74,63,000
Miscellaneous ..	2,32,000	2,65,000	2,21,000	2,98,000
Total ..	1,59,40,000	1,48,78,000	1,64,41,000	1,68,61,000

The approximate volume of Passenger and Goods traffic are as under :—

	June 1946.	*June* 1947.	*July* 1946.	*July* 1947.
Number of passengers (all classes).	6,979,000	6,604,000	6,336,000	6,7[illegible]0,000
Goods traffic (in tons) ..	488,000	436,000	510,000	463,000

III. *Statement showing the figures of import of paddy and rice into the Madras Province by Sea from foreign countries during June and July* 1947.

Month.	Quantity imported.
	TONS.
June 1947	Nil.
July 1947	Nil.

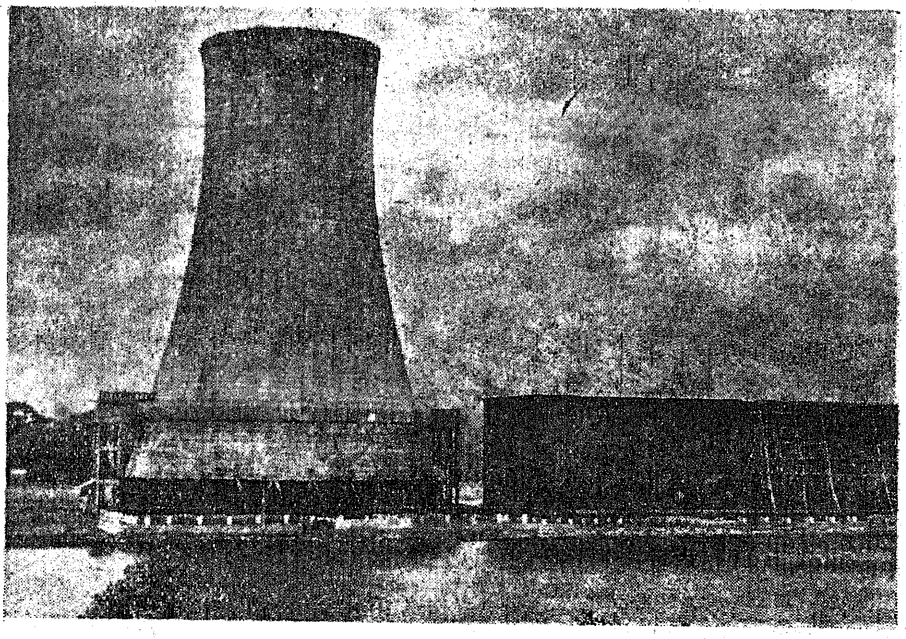
IV. *Statement showing the imports of rice by Rail into the Madras Province for June, July and August* 1947.

Month.	Quantity in tons.
June 1947	2,492
July 1947	1,635
August 1947	1,172

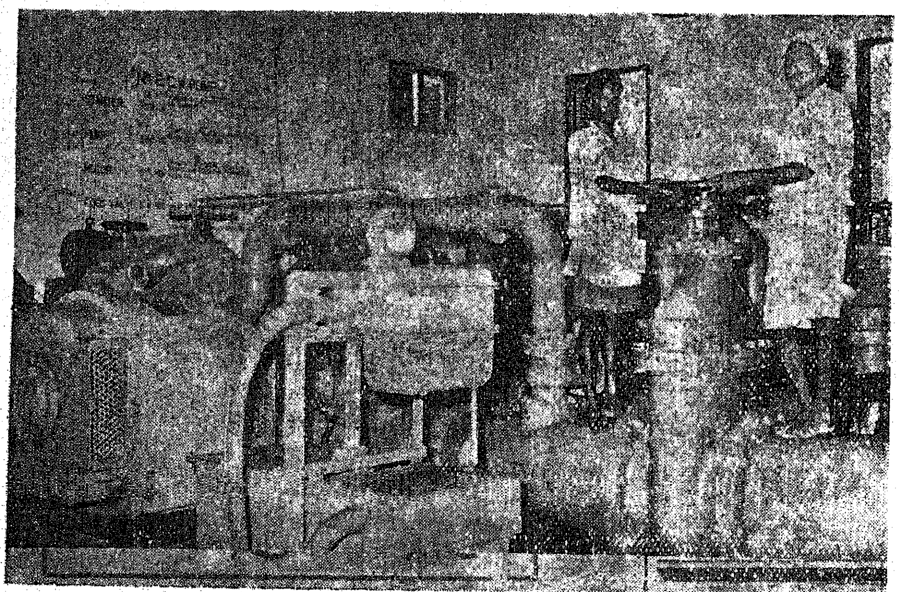
V. *Statement showing the Coastwise imports of paddy and rice into the Madras Province for June* 1947.

Month.	Paddy.	Rice.
	TONS.	TONS.
June 1947 ..	Nil.	1,187

Pictures of M.E.S. Plant & Equipment



Full View of Cooling Tower.



Cooling Tower Pump-room.

Inside of Force Draught Tower.

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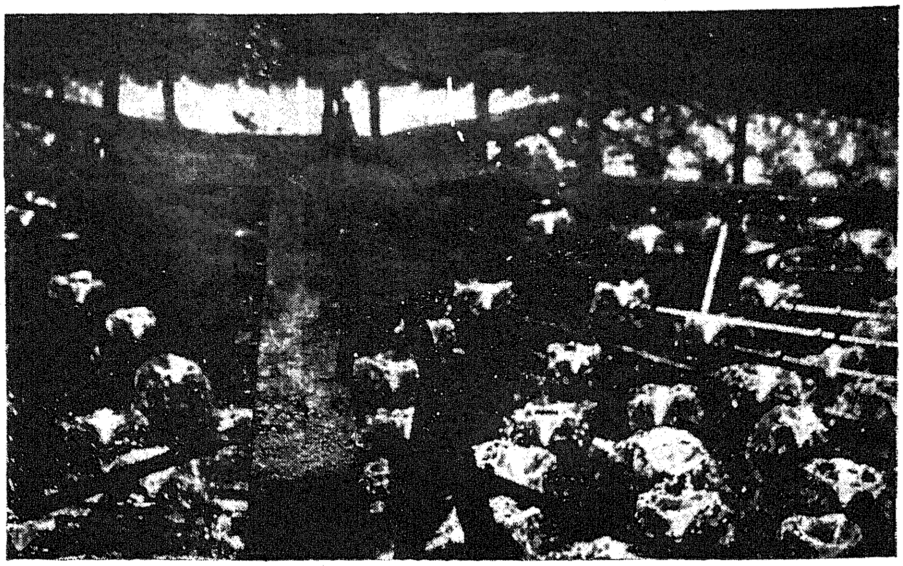
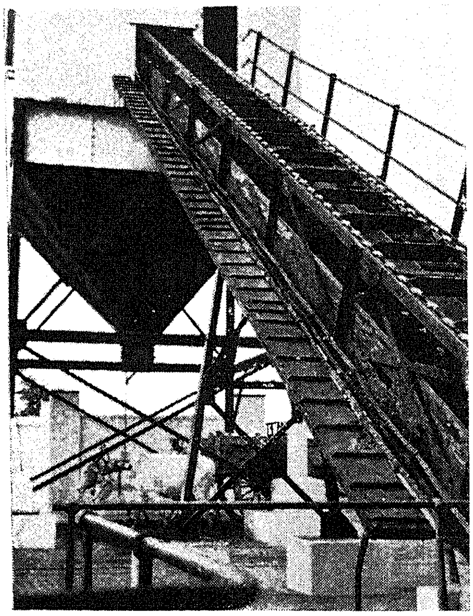
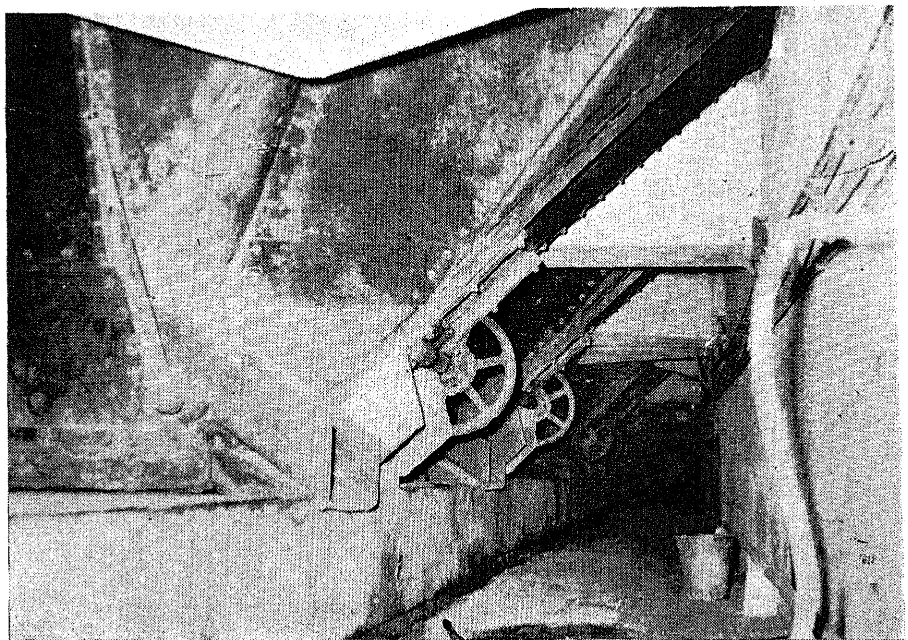


Inside of Natural Draught Tower



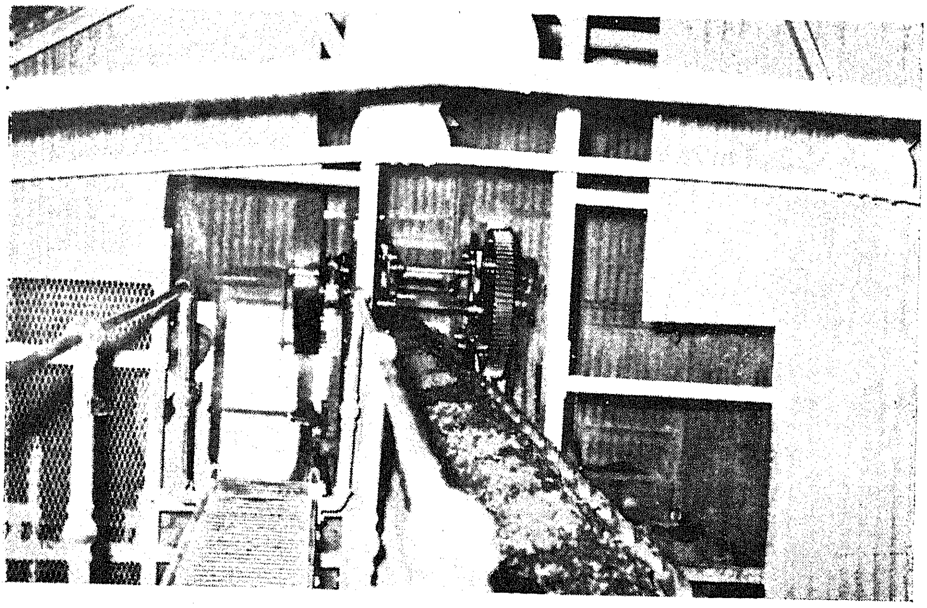
Ash Conveyor

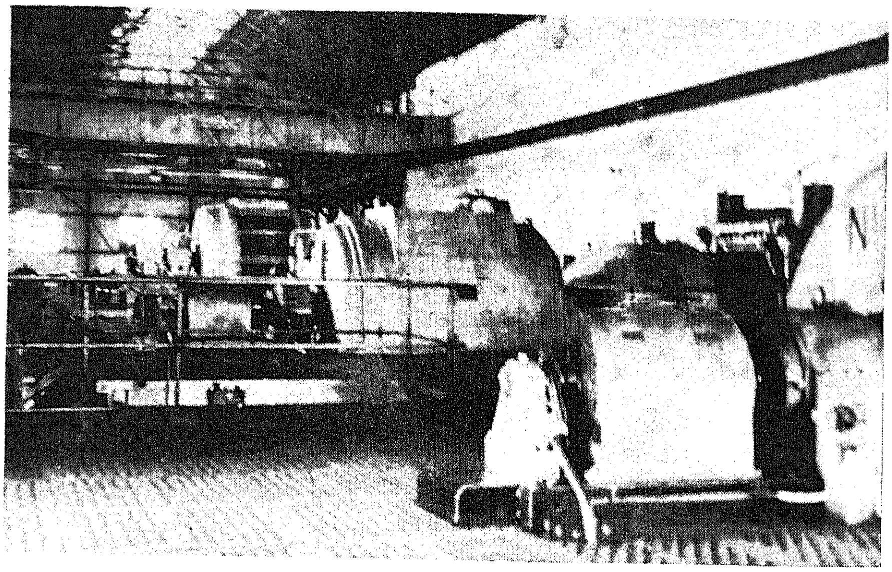
MADRAS

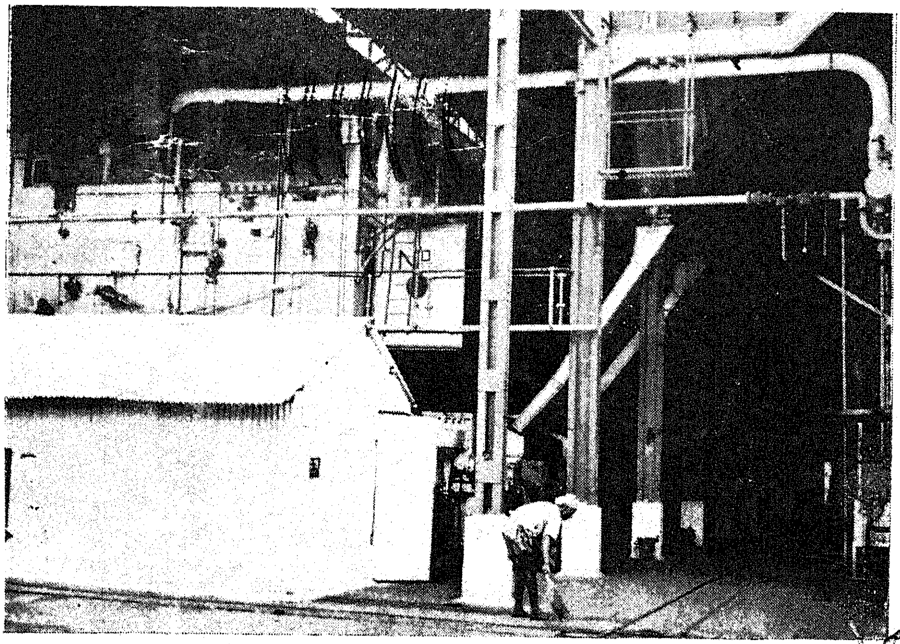


Ash Conveyor Hoppers

Coal Conveyor





Engine's room with generator

Main boiler house